

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, September 18, 2024

TIME: 6:00 p.m. Closed Session  
7:00 p.m. Open Session (time approximate)

LOCATION: Zone 7 Administration Building  
100 North Canyons Parkway, Livermore, California

VIDEO/TELECONFERENCE:  
<https://us02web.zoom.us/j/81634733559>  
(669) 444-9171, Meeting ID: 816 3473 3559

LIVE STREAMING: Comcast Channel 29  
AT&T U-Verse Channel 99 (Livermore)  
Streaming Live at [tv29live.org](http://tv29live.org)

Any member of the public wishing to address the Board on an item under discussion may do so upon receiving recognition from the President. If the public wishes to provide comment before the meeting, please email [publiccomment@zone7water.com](mailto:publiccomment@zone7water.com) by 3:00 p.m. on Wednesday, September 18<sup>th</sup>.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Executive Assistant, Donna Fabian, at (925) 454-5000. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}.

**AGENDA**

1. Call Zone 7 Water Agency Meeting to Order
2. Closed Session
  - a. Conference with Labor Negotiators pursuant to Government Code section 54954.5:  
Agency Negotiators: Valerie Pryor/Osborn Solitei Employee Organizations: Alameda

County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management

- b. Conference with Legal Counsel – Existing litigation pursuant to Gov’t Code section 54956.9(d) (1): (1) State Water Contractors v. California Department of Fish & Wildlife (JCCP Case No. 5117), (2) Stark v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-5837), (3) Bautista v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-10679); (4) Alameda County Flood Control & Water Conservation District, Zone 7 v. City of Pleasanton (Alameda County Superior Court Case No. 24-CV-61595); (5) In re: Aqueous Film-Forming Foams Products Liability Litigation (S.D. South Carolina, MDL No. 2: 18-mn-2873-RMG); (6) Munsell v. County of Alameda Civil Service Commission et al (Alameda County Superior Court, Case No. 24-CV-77110). (7) (Paragraph (1) of subdivision (d) of Section 54956.9) Tulare Lake Basin Water Storage District v. California Department of Water Resources, Sacramento County Superior Court Case No. 24WM000006 and related cases.
- c. Conference with Legal Counsel – Anticipated Litigation: Initiation of litigation pursuant to § 54956.9(d) (one case)

3. Open Session and Report Out of Closed Session

4. Pledge of Allegiance

5. Roll Call of Directors

6. Public Comment on Non-Agenda Items

*The Public Comment section provides an opportunity to address the Board of Directors on items that are not listed on the agenda, or informational items pertinent to the agency's business. The Board welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the agency or are within the jurisdiction of the agency. The Board will not be able to act on matters brought to its attention under this item until a future board meeting.*

7. Minutes

- a. Special Board Meeting Minutes of August 7, 2024
- b. Regular Board Meeting Minutes of August 21, 2024

8. Consent Calendar

- a. Declaration of Flood Preparedness Week: October 19-26, 2024
- b. Award a Construction Contract for DVWTP Booster Pump Station VFDs and Underdrain Pump Station Replacement Project
- c. Award a Construction Contract for 2023 Storm Damage High Priority Repairs
- d. Hardness Analyzers Equipment Purchase

- e. Amendment to the Professional Services Agreement with Carollo for Engineering and Construction Management Services for the Mocho Groundwater Demineralization Plant Concentrate Conditioning Project
- f. Second Amendment to the Professional Services Agreement with ESA for Hydrologic and Hydraulic Modeling Support Services for Flood Management Plan Phase 2A
- g. Task Order with LARPD for Lake Del Valle Property Trail and Amendment to the Zone 7 Lake Del Valle Property Agricultural Grazing Lease Agreement
- h. Personnel Action: Network Engineer, Zone 7

Recommended Action: Adopt Resolutions

9. Annual Outreach and Communications Program Update

Recommended Action: Information Only

10. Partnership for Safe Water Directors Award

Recommended Action: Information Only

11. Los Vaqueros Reservoir Expansion Policy Principles

Recommended Action: Discuss and Provide Direction

12. Committees

- a. Finance Committee Meeting Notes of August 8, 2024

13. Reports – Directors

- a. Verbal Comments by President
- b. Written Reports
- c. Verbal Reports

14. Items for Future Agenda – Directors

15. Staff Reports

- a. General Manager’s Report
- b. August Outreach Activities
- c. Monthly Water Inventory and Water Budget Update
- d. Living Arroyos FY 2023-24 Program Update
- e. Legislative Update

16. Adjournment

17. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, unless otherwise noted.)

- a. Special Board Meeting: September 25, 2024, 6:00 p.m.
- b. Legislative Committee Meeting: September 26, 2024, 4:00 p.m.
- c. Regular Board Meeting: October 16, 2024, 7:00 p.m.



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

## MINUTES OF THE BOARD OF DIRECTORS

### ZONE 7

### ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

### SPECIAL MEETING

August 7, 2024

Directors Present: Dawn Benson  
Catherine Brown  
Sandy Figuers  
Dennis Gambs  
Laurene Green  
Kathy Narum  
Sarah Palmer

Staff Present: Valerie Pryor, General Manager  
Chris Hentz, Assistant General Manager – Engineering  
Osborn Solitei, Treasurer/Assistant General Manager – Finance  
Ken Minn, Water Resources Manager  
Lillian Xie, Associate Engineer  
Donna Fabian, Executive Assistant

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#### Item 1 – Call Special Meeting of the Zone 7 Water Agency to Order

President Gambs called the Special Meeting of the Board of Directors to order at 6:02 p.m.

#### Item 2 – Pledge of Allegiance

President Gambs led the Pledge of Allegiance.

#### Item 3 – Roll Call of Directors

All Directors were present.

#### Item 4 – Public Comment

Public comment was received from Kelly Abreu, a resident of Fremont.

## Item 5 – Los Vaqueros Reservoir Expansion Project Alternative Conveyance Options

Valerie Pryor, General Manager, introduced the workshop, emphasizing that the focus would be on the conveyance aspect of the Los Vaqueros Reservoir Expansion Project (LVE). She noted that while storage is straightforward, conveyance, particularly through the Transfer-Bethany Pipeline, involves complexities due to multiple partners and regulations in the delta region. Ms. Pryor highlighted the importance of understanding this aspect of the project and handed the presentation over to Lillian Xie to lead the workshop.

Lillian Xie, Associate Engineer, presented the workshop on the LVE Alternative Conveyance project, covering various key aspects and scenarios. The presentation began with background information on the project, including its objectives to develop water supplies for environmental management, increase municipal and industrial water reliability, and improve water delivery quality. The project, which involves the expansion of the Los Vaqueros Reservoir, aims to provide up to 10,000 acre-feet of upstream storage capacity for Zone 7 and alternative conveyance during delta outages.

Ms. Xie detailed the facilities supporting the project, including three delta intakes and the associated pipelines, highlighting the importance of regional collaboration among eight partners, including the Contra Costa Water District (CCWD). She explained the process of storing and conveying water through the system, emphasizing the capacity limitations and the need for coordination with CCWD.

The presentation also addressed potential scenarios during a Banks Pumping Plant outage, including direct delivery and drawing from storage, outlining the challenges and benefits of each approach. Ms. Xie further discussed participation options, comparing the costs and benefits of investing in both the Transfer-Bethany Pipeline with storage versus without storage. She concluded by emphasizing the limitations and requirements for alternative conveyance routes, noting that capacity availability and coordination are crucial factors in ensuring water delivery during outages.

Director Palmer inquired about the capacity of the Transfer-Bethany Pipeline and its ability to meet Zone 7's needs during times of necessity. Ms. Xie confirmed the pipeline's capacity at 300 CFS, noting that current modeling suggests the pipeline is not fully utilized even when all partners' operations are combined. Director Palmer also raised concerns about the payment and usage of the facility, as well as CCWD's decision-making authority, which could impact future water availability for Zone 7. Ms. Pryor responded that although negotiations are ongoing, CCWD is expected to maintain priority, but Zone 7 should still have access to water over time.

Director Narum asked about the benefits of investing in both storage and conveyance, which would allow for upstream storage, and questioned the frequency of outages at the Banks Pumping Plant. Ms. Xie and Ms. Pryor explained that while there have been some operational limitations due to environmental factors, Zone 7 has historically been able to meet its water demands. However, as infrastructure ages and climate change progresses, the risk of outages increases, making redundancy in storage and conveyance important.

Director Green sought clarification on project costs and storage specifics, while also referencing past efforts to use interties with EBMUD for water conveyance, which highlighted the complexities of multi-agency water systems. Ms. Pryor confirmed that while some scenarios were successfully tested, the complexities involved make future attempts uncertain.

President Gambbs raised concerns about water quality parameters during delta outages and whether those would affect the ability to route water through the Transfer-Bethany Pipeline. Ms. Xie clarified that while CCWD has strict water quality standards for reservoir storage, these do not apply when bypassing the reservoir for direct delivery. The discussion also touched on comparing storage options between Los Vaqueros and the Chain of Lakes, with Ms. Pryor stating that while modeling is ongoing, the unique nature of each project makes direct comparisons challenging at this stage.

Public comment was received from Kelly Abreu, a resident of Fremont.

Director Palmer raised an informational question regarding the use of Article 21 water, specifically whether it could be stored in their local groundwater basin if space was available. Ms. Xie explained that Article 21 water is typically available during wet conditions, when the Arroyos used for groundwater recharge are already full, making it unlikely that the water could be effectively stored locally.

Ms. Pryor added that Article 21 water is surplus State Water Project water that is available during very wet winter storms and is challenging to store due to timing and the nature of its availability. Director Palmer further inquired about the costs associated with maintaining the district's facilities and the duration of the bond payments, to which Ms. Xie responded that the fixed charges cover the bond payment and could extend up to 35 years.

Director Green asked about the long-term nature of the contracts and whether there was an option to sell or transfer storage rights. Ms. Pryor and Ms. Xie indicated that while some details are still to be negotiated, there might be options for selling or leasing water within the project framework. The discussion also touched on the costs of pulling water from storage in Semitropic and the overall benefits of having multiple water storage and conveyance options.

President Gambbs emphasized the importance of having a portfolio of water supply projects to ensure reliability and redundancy, especially in light of future regulatory challenges and global warming. Director Narum agreed, highlighting the need to understand the costs and benefits of these projects before making final decisions. The consensus was that moving forward with negotiations and further analysis was essential to determine the best path forward.

President Gambbs announced the formation of an Ad Hoc Committee to address key unresolved policy issues related to the ongoing project with Contra Costa Water District. He noted that on June 5<sup>th</sup>, the Contra Costa Board of Directors directed its General Manager to discuss three main issues with partner agencies: the assignment of risk in the design and construction agreement, principles regarding usage fees, and proposed changes to the Joint Powers Agreement. Contra Costa Water District expects responses to these issues by the fall. To expedite the review, President Gambbs appointed Directors Narum, Palmer, and himself to the Ad Hoc Committee, which will discuss these matters and make recommendations to the full

Board. He emphasized that the issues raised need further discussion and will require the Board's full understanding before any action is taken.

#### Item 6 – Adjournment

President Gambs adjourned the meeting at 7:20 pm.

MINUTES OF THE BOARD OF DIRECTORS  
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING  
August 21, 2024

Directors Present: Dawn Benson  
Catherine Brown  
Sandy Figuers  
Dennis Gambs  
Laurene Green  
Kathy Narum  
Sarah Palmer

Staff Present: Valerie Pryor, General Manager  
Chris Hentz, Assistant General Manager – Engineering  
Osborn Solitei, Treasurer/Assistant General Manager – Finance  
Ken Minn, Water Resources Manager  
Donna Fabian, Executive Assistant  
Alexandra Bradley, Communications Specialist

General Counsel: Matt Weber, Downey Brand

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Item 1 – Call Zone 7 Water Agency Meeting to Order

President Gambs called the meeting to order at 7:02 p.m.

Item 2 – Closed Session

The Board entered the Closed Session at 6:00 p.m. Director Figuers joined at 6:02 p.m. and closed Session concluded at 6:49 p.m.

Item 3 – Open Session and Report Out of Closed Session

President Gambs stated that the Board unanimously voted on July 17, 2024, to settle the litigation between Zone 7 and the County of Alameda. The settlement includes the County acknowledging Zone 7's exclusive authority to negotiate with unions representing Zone 7 employees. The County will also pay Zone 7 \$84,800 and process longevity payments for eligible employees. This settlement was confirmed by the court.



Second, Zone 7 settled potential litigation with Overaa, the general contractor on the Patterson Pass Water Treatment Plant Ozonation Project. Overaa initially claimed over \$2.8 million due to construction delays and impacts. After negotiations, Zone 7 agreed to pay \$1 million to resolve these claims, as documented in a written settlement agreement.

Third, the Board approved motions to intervene in the CEQA cases related to the Delta Conveyance Project.

#### Item 4 – Pledge of Allegiance

President Gambs led the Pledge of Allegiance.

#### Item 5 – Roll Call of Directors

All Directors were present.

#### Item 6 – Public Comment

There was no public comment.

#### Item 7 – Minutes

Director Palmer made a motion to approve the special Board meeting minutes of July 9, 2024, and Director Green seconded the motion. The minutes were approved by a 7-0 voice vote.

Director Benson made a motion to approve the regular Board meeting minutes of July 17, 2024, and Director Palmer seconded the motion. The minutes were approved by a 7-0 voice vote.

#### Item 8 – Consent Calendar

Director Narum wanted to emphasize the importance of public awareness regarding Zone 7's receipt of the Certificate of Achievement for Excellence in Financial Reporting for the eighth consecutive year. She extended congratulations to Mr. Solitei and his team, highlighting this achievement as a testament to Zone 7's ongoing commitment to transparency in financial reporting and accounting.

Director Palmer moved to approve Items 8a through 8g and Director Narum seconded the motion. The Consent Calendar was approved by a roll call vote of 7-0.

#### Item 9 – Delta Conveyance Project Update

Valerie Pryor, General Manager, introduced the next item, the Delta Conveyance Update. She highlighted the importance of the Delta Conveyance Project (DCP), which Zone 7 has been involved with for several years. The project is vital for improving the State Water Project's resilience, as the Tri-Valley Area receives about 70% of its water through this system, which is increasingly threatened by factors like climate change, ecosystem concerns, and seismic risks.

The DCP is seen as a critical climate adaptation strategy to modernize infrastructure and protect the Sacramento-San Joaquin Delta environment.

Ms. Pryor mentioned that progress has been made, including the approval of the Environmental Impact Report (EIR) last year. Future Board action will include a request for \$6.6 million in funding for the next phase of permitting and conceptual design, which is within the current budget and water rate structure. Ms. Pryor introduced three presenters: Katherine Marquez from the Department of Water Resources, Graham Bradner, Executive Director of the Delta Conveyance Design and Construction Authority, and Dr. David Sunding, Emeritus Professor at UC Berkeley.

Ms. Marquez provided an update on the DCP's planning schedule, which has received support from the Governor's office. The key milestone is obtaining permits by the end of 2026. She began by discussing the CEQA process, noting that the EIR was finalized at the end of 2023, while the federal NEPA process is ongoing, with the Army Corps of Engineers expected to finalize their EIR by the end of the year.

Regarding Endangered Species Act compliance, both federal and state processes are in progress. The DCP's operations will be permitted programmatically through the long-term operations biological opinion process, expected to be completed by the end of the year. The construction biological opinion is anticipated to follow shortly after. On the state side, the incidental take permit is expected in October 2024, which will support discussions during the water board hearings for the project's change in the point of diversion petition. These hearings are expected to begin in mid-January 2025 and conclude by mid to late 2025, with a final decision from the water board anticipated by mid-2026.

Additionally, the Delta Plan consistency process will follow the water board hearings, with certification expected by late 2026. At that point, other actions, such as property acquisition, can be considered.

Ms. Marquez also highlighted a missed opportunity where, if the DCP had been in place between January 1<sup>st</sup> and June 13<sup>th</sup> of this year, it could have captured 941,000 acre-feet of water, enough to supply over 9.8 million people or 3.3 million households for one year.

Mr. Bradner gave an overview of the Bethany Reservoir Alignment, a 6,000-cubic-foot-per-second facility. He explained that the project design is at approximately 10%, with some elements more advanced than others. The project includes constructing two new intakes along the Sacramento River in the North Delta, a 45-mile tunnel with a 36-foot internal diameter, and a new pumping plant near the federal Jones pumping plant and the state Banks pumping plant to deliver water to Bethany Reservoir. This setup adds redundancy to the State Water Project by providing two parallel means of water delivery.

The cost estimate, which factors in direct construction, labor, land acquisition, power supply, environmental mitigation, and community benefits, totals \$20.12 billion in 2023 prices. Mr. Bradner emphasized the inclusion of contingency and risk treatment costs to manage uncertainties, following a deterministic, bottoms-up approach. He also highlighted a reconciliation process with the 2020 cost assessment, demonstrating confidence in the updated estimate.

Mr. Bradner provided an overview of the project's timeline, with major permitting activities slated for completion by 2026. Early construction activities, including power connections and road access, are expected to begin in 2029, with tunneling operations starting around 2033. The peak of construction will occur in 2035, and the project is anticipated to be completed by 2042, with full operation handed over to the Department of Water Resources by 2045.

Additionally, Mr. Bradner discussed innovations aimed at reducing impacts, costs, and improving constructability. He showcased one such innovation for the Bethany Reservoir Pumping Plant, which could reduce construction time by 1,000 days and save \$140 million. These innovations have the potential to reduce the overall project cost by \$1.23 billion or 6%, which will be explored further as the project advances through permitting and design stages.

Director Palmer asked for reassurance that the proposed innovations would not impact the existing California Environmental Quality Act (CEQA) or EIR analysis. Mr. Bradner assured that the innovations were designed to remain within the boundaries identified in the environmental analysis, without extending impacts, increasing emissions, or affecting key considerations. However, he noted that the department would still need to assess the innovations for any necessary CEQA modifications in the future.

Director Benson inquired about the critical path to project completion. Mr. Bradner identified permits as the current critical path, with the longest tunnel drive—14.4 miles from Lower Roberts Island to the Bethany complex—also being crucial. He explained that the transition from permitting to implementation, including geotechnical investigations and land acquisition, is essential for advancing the project to the design and construction phases.

President Gambs inquired about the lengthy timeframe for the tunnel project, noting it spans 20 years and asking for an explanation of why it takes so long. Mr. Bradner explained that the project is expected to have a 13-year construction window, beginning in 2029 and concluding by the end of 2042. The initial three years will focus on setup, including building roads, upgrading bridges, securing power supply connections, and constructing elevated shaft pads to mitigate artesian conditions and provide safety from potential flooding. Each shaft will take approximately a year and a half to complete.

The tunnel-boring machines (TBMs) also require time to build, so major construction activities are expected to begin around 2033 or 2034. From that point, the project will span about eight or nine years, primarily driven by the TBMs' progression rate of about two miles per year. Although four tunnel sections will be excavated simultaneously, the longest drive—14.4 miles—will dictate the schedule, taking about seven and a half years to complete.

Director Green asked for details on the geotechnical work being conducted, including its specifics and any findings so far. Mr. Bradner explained that the work began under an initial study with a mitigated negative declaration to support the Department of Water Resources' (DWR) consideration of alternatives across the Delta. With the EIR finalized and a project alignment selected, the focus has shifted to specific geotechnical work along that alignment. For the past few years, data has been collected, including historical information from other projects, to enhance understanding.

Dr. Sunding presented a comprehensive overview of a benefit-cost analysis conducted by his team over 18 months for DWR. He began by providing background information on the State Water Project Service Area, highlighting its significant economic contribution, with a GDP of approximately \$2.3 trillion, and its dependence on surface water imports. Current water deliveries from the State Water Project are around 2.56 million acre-feet per year, serving both urban and agricultural customers.

The focus of the analysis was on addressing future challenges, particularly climate change and sea level rise, which could reduce water deliveries by 22% by 2070, and the risk of a major earthquake near the Delta, which could disrupt water quality and deliveries. Dr. Sunding explained that the benefit-cost analysis assessed the costs of the DCP, including construction, operation, and environmental mitigation, against the benefits, such as improved water supply reliability and quality.

The analysis revealed that the DCP would provide significant benefits, with a benefit-cost ratio of 2.2-to-1, meaning that for every dollar invested, consumers and businesses would receive \$2.20 in benefits. Dr. Sunding also compared the DCP to alternative water supply solutions, such as desalination and recycling, concluding that the DCP is a more cost-effective option. Dr. Sunding emphasized that while the challenges of climate change are inevitable, the DCP offers a viable and economically sound solution to mitigate its impacts and ensure long-term water supply reliability for the State Water Project.

Director Palmer inquired about the cost analysis of the State Water Project, specifically questioning the impact on agricultural users. Dr. Sunding acknowledged that benefits vary across agencies, with urban agencies generally benefiting more per acre-foot than agricultural ones. He clarified that the economic study conducted focused on aggregate benefits and costs without delving into financing or cost allocation, noting that such analyses would inform future discussions. Director Palmer also asked whether the project's outcome would remain positive for major agricultural users in the Central Valley. Dr. Sunding reiterated that his study did not address this aspect.

Director Green raised questions about operations and maintenance (O&M) and sought clarity on the associated costs. Mr. Bradner explained that the project accounted for the periodic replacement and refurbishment of major equipment, sediment management, and operational costs. Director Green further inquired about water quality issues, specifically salinity. Dr. Sunding confirmed that salinity was the primary water quality aspect analyzed, given its significant impact. Director Green asked about the definition of "central tendency" in scenario five. Dr. Sunding explained that central tendency refers to a method used in climate modeling to represent a suite of results, with the details outlined in the EIR.

Director Narum questioned the project's ability to reduce seismic risks. Mr. Bradner highlighted the tunnel's design, which goes below vulnerable peat deposits and is engineered to withstand maximum credible earthquakes. Dr. Sunding added that current infrastructure, like the Delta levees, poses a significant risk, potentially leading to extended outages in the event of an earthquake.

The conversation shifted to the distribution of State Water Project resources, with Ms. Pryor noting that South Bay contractors, including Zone 7, represent less than 10% of the project's

total allocation. Despite the bulk of the water going to Southern California, the importance of the South Bay's share was emphasized.

In discussing climate change impacts, Mr. Bradner explained that decreasing water reliability is primarily due to the loss of snowpack as a natural reservoir, leading to more extreme weather patterns that challenge the existing system's capacity.

The Directors thanked the panel for their presentation.

#### Item 10 – Reports – Directors

Director Palmer mentioned attending a recent meeting focused on making conservation a way of life in California, particularly concerning the efficiency goals for urban users. Although Zone 7 is not a retailer and is not directly subject to these regulations, Director Palmer highlighted that the regulations and goals set for retailers could still impact their constituents and ultimately affect ratepayers. She emphasized the importance of understanding the implications of these regulations.

President Gambs informed the Board that signups are now open for the ACWA Fall Conference. He encouraged those interested in attending to notify Donna Fabian, Executive Assistant, and noted the value of the conference based on past experiences. Additionally, it was mentioned that ACWA's Region 5 is hosting an event on September 13<sup>th</sup> in the Pajaro area.

#### Item 11 – Items for Future Agenda – Directors

There were no requests for future agenda items.

#### Item 12 – Staff Reports

Ms. Pryor announced that the Agency has once again received the Certificate of Achievement for Excellence in Financial Reporting for the eighth consecutive year. She commended Mr. Osborn and his team for their continued excellence. Director Narum inquired whether the presentation on the Delta project, given during the meeting, could be made available on the Agency's website for public reference. Ms. Pryor responded that there is a water supply reliability page and suggested staff could add a reference to the Board presentation from August 21, 2024, on that page.

#### Item 13 – Adjournment

President Gambs adjourned the meeting at 8:42 p.m.



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

**ORIGINATING SECTION:** Office of the General Manager  
**CONTACT:** Alexandra Bradley

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Declaration of Flood Preparedness Week: October 19-26, 2024

**SUMMARY:**

Zone 7 Water Agency is a participating member of the California Flood Preparedness Program, a statewide effort to educate the public about the dangers of flooding, how to prepare their homes and families for a flood, and plan for recovery.

California Flood Preparedness Week began in 2012 with a single event in Sacramento County and is now in its twelfth year. DWR supports events across the state, working with federal, state, and local agencies to inform Californians about flood risk and flood preparedness.

The twelfth annual California Flood Preparedness Week (2024) will be held during the week of October 19-26. The theme for California Flood Preparedness Week 2024 once again is "Be Aware, Be Prepared, and Take Action!"

Joining other sponsors, such as California Department of Water Resources; Federal Emergency Management Agency; US Army Corps of Engineers; NOAA National Weather Service; County of Sacramento; and FloodSAFE California, Zone 7 Water Agency expresses support for increased public awareness of flood threats and encourages all Zone 7 residents to take action and prepare appropriately.

Zone 7 will be running a digital flood preparedness campaign featuring our award-winning Flood Ready Freddy videos during Flood Preparedness Week.

This year, Zone 7 will also be hosting an in-person [Flood Preparedness Open House](#) on Saturday, October 19 from 10:00am to 2:00pm. Participants will learn essential tips and strategies to protect their home and family during floods. They can explore interactive exhibits, engage with experts, and discover how Zone 7 is working to safeguard our community against potential flood risks. We will have sandbags, emergency preparedness tips, and information about our flood management efforts.

Residents can learn more about Flood Preparedness at [www.zone7water.com/floodready](http://www.zone7water.com/floodready) or at the California Department of Water Resources' website: <https://water.ca.gov/What-We-Do/Flood-Preparedness>.

**FUNDING:**

There is no funding impact associated with this action.

**RECOMMENDED ACTION:**

Adopt Resolution proclaiming Zone 7's participation in California Flood Preparedness Week.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 24-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Proclaiming Participation in the California Flood Preparedness Week Program**

WHEREAS, Zone 7 Water Agency recognizes the significant public safety threat flooding poses to the population, assets and economy of our community; and

WHEREAS, over the last twenty plus years, every one of California's 58 counties has experienced a federally declared flood disaster resulting in the loss of lives, homes, precious possessions and costing billions of dollars; and

WHEREAS, Zone 7 residents have endured numerous flood events over the years, including the historic, large-scale floods of 1955 and 1958. In recent history, Zone 7 applied for and received federal and state financial assistance for repair of damage from storm events during 1995, 1998, 2005, 2017, and 2023; and

WHEREAS, during California Flood Preparedness Week, local, state and federal agencies across the state work together to educate the public about the dangers of flooding, how to prepare their homes and families for a flood, and how to plan for recovery; and

WHEREAS, California Flood Preparedness Week 2024 will be held statewide during the week of October 19-26 with the theme, "Be Aware, Be Prepared, and Take Action!"

NOW THEREFORE, BE IT RESOLVED, that Zone 7 Water Agency will participate in California Flood Preparedness Week 2024, express support for increased public awareness of flood threats, and encourage all Zone 7 residents to be aware of flood risks, be prepared for potential flooding, and take appropriate action in times of flooding.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors





**ORIGINATING SECTION:** Water Supply Engineering

**CONTACT:** Mariza Sibal/Brandon Woods

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Award a Construction Contract for Del Valle Water Treatment Plant (DVWTP) Booster Pump Station VFDs and Underdrain Pump Station Replacement Project

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable water services, Zone 7 implements improvements, modifications, and renewal and replacement projects under the Capital Improvement Program (CIP). The proposed action is in support of Strategic Plan Goal B – Provide customers with safe water and Initiative 3 – Continue to effectively implement infrastructure projects in the Water System CIP.
- The Del Valle Water Treatment Plant (DVWTP) Booster Pump Station VFDs and Underdrain Pump Station Replacement Project (Project) will replace two variable frequency drives (VFDs) that are used to control the rate of water supply through the Booster Pump Station to the DVWTP, replace the Underdrain Pump Station, which captures and recycles water from the sludge basins and is at the end of its useful life, and repair a pipeline support inside the 4.5-million-gallon treated water clearwell reservoir.
- Per the California Environmental Quality Act (CEQA) guidelines, a Notice of Exemption was filed with the Alameda County Clerk and Records Office on July 16, 2024.
- In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for construction of the Project. On September 4, 2024, four bids were received ranging from \$1,165,000 to \$1,854,347.
- Bids were reviewed by Zone 7 staff who determined that the lowest responsive and responsible bidder is Pacific Infrastructure Construction, LLC (Pacific Infrastructure) with a bid of \$1,165,000.
- Staff recommends that the Board authorize the General Manager to execute a construction contract with Pacific Infrastructure in a total amount not-to-exceed \$1,165,000 and to execute change orders as and when needed in a total amount not-to-exceed \$116,500 (10% of construction contract amount).
- To cover project costs totaling approximately \$1,910,000, an additional appropriation of \$658,831 from Fund 120 is needed.

**DISCUSSION:**

In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for the project construction. On September 4, 2024, the following four bids were received:

<u>Name of Firm</u>	<u>Total Bid Amount</u>
Pacific Infrastructure, Pleasanton, CA	\$1,165,000
Conco-West, Manteca, CA	\$1,286,000
Valentine Corporation, San Rafael, CA	\$1,558,369
Pipe and Plant Solutions, San Leandro, CA	\$1,854,347

Staff reviewed the bids and found the bid submitted by Pacific Infrastructure to be the lowest responsive and responsible bid. Staff recommends award of the construction contract to the lowest responsive and responsible bidder, Pacific Infrastructure, in an amount not-to-exceed \$1,165,000. Staff also recommends the Zone 7 Board authorize the General Manager to negotiate and execute change orders as and when needed with Pacific Infrastructure for a not-to-exceed amount of \$116,500 (10% of construction contract amount).

Engineering services during construction will be provided by Stantec Consulting Services, Inc., and Beecher Engineering, Inc., under amendments to professional service agreements that were authorized at the July 2024 Board meeting.

**PROJECT COSTS:**

The total estimated project cost is \$1,908,831. The cost breakdown by project phase is provided in Table 1 below.

**Table 1. Estimated Total Project Costs**

<b>Component</b>	<b>Total Amount</b>	<b>Description/Comments</b>
<b>Planning/Design Phase</b>		
Zone 7 Staff	\$ 65,000	Project management and support from other sections such as O&M
Design Services	\$ 117,331	Planning and design services
<b><i>Planning/Design Phase Subtotal</i></b>	<b>\$ 182,331</b>	
<b>Construction Phase</b>		
Zone 7 Staff	\$ 275,000	Project/construction management, inspection, and support from other sections such as O&M
Engineering Support During Construction (ESDC)	\$ 150,000	Submittal review, design clarifications, regulatory compliance assistance, startup/commissioning, and other design support services during construction

<b>Component</b>	<b>Total Amount</b>	<b>Description/Comments</b>
Third-Party Materials Testing	\$ 20,000	Materials testing for coatings, compaction, concrete break testing, and other required testing
Construction Contract	\$ 1,165,000	Lowest responsive and responsible bid
10% Construction Contingency	\$ 116,500	
<b><i>Construction Phase Subtotal</i></b>	<b>\$ 1,726,500</b>	
<b>Total Estimated Project Cost</b>	<b>\$ 1,908,831</b>	

**PROJECT SCHEDULE:**

Construction is anticipated to begin in November 2024. Final completion of the project is anticipated in April 2026.

**FUNDING:**

The total project costs are anticipated to be \$1,908,831, as shown in Table 1 below. Funding in the amount of \$1,250,000 is available from Fund 120 – Water Enterprise Renewal/Replacement and System-wide Improvements for this Project. An additional appropriation of \$658,831 in the Fiscal Year 2024-25 budget from Fund 120 is requested to complete the project.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 24-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Award a Construction Contract for Del Valle Water Treatment Plant (DWWTP) Booster Pump Station VFDs and Underdrain Pump Station Replacement Project**

WHEREAS, the proposed action is in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program; and

WHEREAS, the Board approved a budget of \$1,250,000 for the DWWTP Booster Pump Station VFDs and Underdrain Pump Station Replacement Project in the Fiscal Year 2023-24 Mid-Cycle Operating and Capital Budget Amendment from Fund 120 – Renewal/Replacement and System-Wide Improvements for this project; and

WHEREAS, an additional appropriation of \$658,831 in the Fiscal Year 2024-25 budget from Fund 120 – Water Enterprise Renewal/Replacement and System-wide Improvements is needed for this project; and

WHEREAS, On August 21, 2024, the Board authorized sole source procurement of several materials for the Project, including Yaskawa U1000 Matrix variable frequency drives, Belden 88760 instrumentation cables, Square D 100A circuit breakers, and Raven AquataPoxy A-61 epoxy product; and

WHEREAS, per the California Environmental Quality Act (CEQA) guidelines, a Notice of Exemption was filed with the Alameda County Clerk and Records Office on July 16, 2024; and

WHEREAS, the Project plans, specifications, and addenda were developed and advertised for bidding in accordance with the California Public Contract Code; and

WHEREAS, four bids were received and publicly read by the Zone 7 General Manager's authorized representative at the Zone 7 Administrative Office, 100 North Canyons Parkway, Livermore, California, on September 4, 2024, at 1:00 p.m.; and

WHEREAS, the lowest responsive and responsible bid received for this Project No. 310-24 is the bid by Pacific Infrastructure Construction, LLC (Pacific Infrastructure) with a bid amount of \$1,165,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans, specifications, and addenda for the DVWTP Booster Pump Station VFDs and Underdrain Pump Station Replacement Project; and

BE IT FURTHER RESOLVED that the Board of Directors at Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby accept the bid of the lowest responsive and responsible bidder, Pacific Infrastructure, and authorize the General Manager to execute a construction contract with Pacific Infrastructure in an amount not-to-exceed \$1,165,000; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute change orders as and when needed in an amount not-to-exceed \$116,500; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby appropriate an additional \$658,831 in the Fiscal Year 2024-25 budget from Fund 120 – Water Enterprise Renewal/Replacement and System-wide Improvements for this project.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors



**ORIGINATING SECTION:** Flood Protection Engineering  
**CONTACT:** Adolfo Perez/Edward Reyes

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Award a Construction Contract for 2023 Storm Damage High Priority Repairs

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements projects to maintain its flood protection system. The proposed action is in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- The 2023 Storm Damage High Priority Repairs (Project) consists of rehabilitation, restoration, and repair of three high-priority Zone 7 flood protection channel sites that were impacted by the 2022-2023 winter storms and subsequent storms. Approximately 90 additional damaged sites that require more extensive permitting will be constructed under separate contracts in the summer of 2025 and 2026, with approximately 50 implemented by Zone 7 staff and approximately 40 by the Army Corps of Engineers with matching federal assistance funds. The remaining storm damages (approximately 84) are smaller and lower priority with low chance of causing additional damage and may be scheduled for construction in future years if needed.
- Per the California Environmental Quality Act (CEQA) guidelines, Notices of Exemption were filed with the Alameda County Clerk and Records Office on June 11, 2024.
- In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for construction of the Project. On July 23, 2024, four bids were received ranging from \$1,600,647 to \$2,469,469.
- Bids were reviewed by Zone 7 staff who determined that the lowest responsive and responsible bidder is Ground Control Inc. with a bid of \$1,600,647.
- Staff recommends that the Board authorize the General Manager to execute a construction contract with Ground Control Inc. in an amount not to exceed \$1,600,647, and to execute change orders as and when needed in an amount not to exceed \$160,065 (10% of construction contract amount), for a total authorized amount, including potential change orders, not to exceed \$1,760,712.

**BACKGROUND:**

During the winter of 2022-2023, storm events caused 177 bank damages within Zone 7’s flood protection system. Mackay & Somps was contracted under an on-call professional services agreement for emergency support for the design of multiple repairs. Among the damaged sites, five were categorized as high priority due to their severity and proximity to adjacent property and infrastructure. Mackay & Somps prepared the engineering drawings, project specifications, and estimates for these high priority repairs and will provide engineering support throughout construction. Two sites at El Charro and Arroyo Mocho originally identified as high priority will be addressed in future construction contracts as they require more extensive environmental permits. The three remaining sites planned for repair will be under this construction contract and are in Pleasanton, within the following flood facilities owned and maintained by Zone 7: Site 913 along Line G-1-1 near the DSRSD wastewater treatment plant, and Sites 914 and 915 along Arroyo de la Laguna near Golden Eagle Estates. The repairs will utilize bank repair techniques including rip rap and geosynthetic material for soil stabilization, and more subtle and greener solutions, such as willow live stakes and brush mattress with live fascines.

Approximately 90 additional damaged sites that also require more extensive permitting will be constructed under separate contracts in the summer of 2025 and 2026, with approximately 50 implemented by Zone 7 staff and approximately 40 by the Army Corps of Engineers with matching federal assistance funds. The remaining storm damages (approximately 84) are smaller and lower priority with low chance of causing additional damage and may be scheduled for construction in future years if needed.

**DISCUSSION:**

In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for the project construction. On July 23, 2024, the following four bids were received:

<u>Name of Firm</u>	<u>Total Bid Amount</u>
Ground Control Inc., San Francisco, CA	\$1,600,647
Suulutaaq, Inc., Suisun City, CA	\$1,817,265
Brannon Corporation, Morgan Hill, CA	\$1,917,649
Goodfellow Bros., Livermore, CA	\$2,469,469

Staff reviewed the bids and found the bid submitted by Ground Control Inc. to be the lowest responsive and responsible bid. Staff recommends award of the construction contract to the lowest responsive and responsible bidder, Ground Control Inc., in an amount not-to-exceed \$1,600,647. Staff also recommends the Zone 7 Board authorize the General Manager to negotiate and execute change orders as and when needed with Ground Control Inc. for a not-to-exceed amount of \$160,065 (10% of construction contract amount), for a total authorized amount, including potential change orders, not to exceed \$1,760,712.

**PROJECT SCHEDULE:**

Construction is expected to take one construction season to complete and is scheduled to begin in May 2025, pending environmental permits from regulatory agencies. The project is expected to be completed by December 2025.

**FUNDING:**

Funding is available in the FY 2024-26 Two-Year Adopted Budget for Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution



ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 24-

INTRODUCED BY DIRECTOR

SECONDED BY DIRECTOR

**Award a Construction Contract for 2023 Storm Damage High Priority Repairs**

WHEREAS, the proposed action is in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 has the 2023 Storm Damage High Priority Repairs Project to repair three sites within Zone 7 Water Agency property impacted by the 2022-2023 winter storms and subsequent storms; and

WHEREAS, per the California Environmental Quality Act (CEQA) guidelines, Notices of Exemption were filed with the Alameda County Clerk and Records Office on June 11, 2024; and

WHEREAS, the Project plans, specifications, and addenda were developed and advertised for bidding in accordance with the California Public Contract Code; and

WHEREAS, four bids were received and publicly read by the Zone 7 General Manager's authorized representative at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, CA on July 23, 2024, at 2:00 pm; and

WHEREAS, the lowest responsive and responsible bid received for this Project No. 304-27 is the bid by Ground Control Inc., with a bid amount of \$1,600,647.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans, specifications, and addenda for the 2023 Storm Damage High Priority Repairs Project; and

BE IT FURTHER RESOLVED that the Board of Directors at Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby accept the bid of the lowest responsive and responsible bidder, Ground Control Inc., and authorize the General Manager to execute the construction contract with Ground Control Inc. in an amount not-to-exceed \$1,600,647; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute change orders as and when needed in a total amount not-to-exceed \$160,065.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

**ORIGINATING SECTION:** Maintenance  
**CONTACT:** Dave Zachry/Jon Nicolaus

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Hardness Analyzers Equipment Purchase

**SUMMARY:**

To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient and sustainable water services, Zone 7 implements improvements and renewal and replacement projects under the Capital Improvement Program (CIP). The proposed action to replace an aging and obsolete hardness analyzer at the Mocho Groundwater Demineralization Plant (MGDP) and to install two new analyzers at Patterson Pass and Del Valle Water Treatment Plants (PPWTP and DVWTP) is in support of Strategic Plan Initiative 3 - Continue to effectively implement infrastructure projects in the Water System CIP.

The DVWTP, PPWTP and MGDP rely on water softener systems to ensure proper chemical dosing. The accurate analysis of water hardness is essential to stabilize the water chemistry to prevent plugging of feed lines, which has previously led to plant shutdowns, and to prevent pipeline corrosion. Continuous chemical monitoring with hardness analyzers ensures efficient chemical dosing and increases the reliability and longevity of plant infrastructure.

Currently, only the Mocho Groundwater Demineralization Plant (MGDP) uses a hardness analyzer that is at the end of its useful life and has become unreliable and is now out of service. The existing unit also requires proprietary reagents from Europe with long lead times and short shelf life, further complicating maintenance.

The purchasing policy allows for Direct Purchases under Section 6 (r)(a) for standardization and/ or compatibility purposes. The proposed Direct Purchase from Hach Company complies with the policy as the equipment's being purchased allow for product compatibility and interchangeability and will maintain the commonality of items to save time, training and reduce replacement part stocking.

Zone 7 is acquiring Hach EZ4043 Total Hardness analyzers as its standard equipment, for which Hach is the sole distributor. Only factory-trained Hach technicians are authorized to complete maintenance services. The estimated cost is \$135,000.

**FUNDING:** Funding is available from Fund 120 - Water Enterprise Renewal/Replacement and System-Wide Improvements.

**RECOMMENDED ACTION:** Adopt the attached Resolution.

**ATTACHMENT:** Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 24-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Hardness Analyzers Equipment Purchase**

WHEREAS, the proposed action is in support of Strategic Plan Initiative 3 - Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program; and

WHEREAS, Zone 7 Purchasing Policy allows for Direct Purchases under Section 6(r)(a) for standardization and/ or compatibility purposes. The proposed Direct Purchase from Hach Company is in compliance with the Policy as the equipment's being purchased allow for product compatibility and interchangeability and will maintain the commonality of items to save time, training and reduce replacement part stocking; and

WHEREAS, Hach Hardness Analyzers are proven to be reliable and easy to maintain, and installing the same units at the three water treatment plants is needed to ensure consistency, these units are recommended to be direct purchased.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a one-time purchase of three Hach Hardness Analyzers for the Del Valle Water Treatment Plant, Patterson Pass Water Treatment Plant and Mocho Groundwater Demineralization Plant from Hach Company for a total cost not-to-exceed \$135,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors



**ORIGINATING SECTION:** Water Supply Engineering

**CONTACT:** Athena Watson/Brandon Woods

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Amendment to the Professional Services Agreement with Carollo for Engineering and Construction Management Services for the Mocho Groundwater Demineralization Plant Concentrate Conditioning Project

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 utilizes the Mocho Groundwater Demineralization Plant (MGDP) to produce higher quality water and manage groundwater basin quality. The proposed action is in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the water system Capital Improvement Program, and Initiative 7 – Manage the GSA and implement the groundwater management plan.
- The Mocho Groundwater Demineralization Plant (MGDP) removes salt from the Mocho groundwater well water and disposes the concentrated salts through a "concentrate" pipeline. The Concentrate Conditioning Project (Project) will install an acid injection system to prevent solids from building-up in the concentrate pipeline. Previous deposits of scale on the inner pipeline wall significantly reduced the flow path, impacting MGDP operation, and required costly flushing to restore flow. The total Project budget is \$8,345,000.
- In October 2020, the Board authorized an agreement with Carollo Engineers, Inc., (Carollo) in an amount not-to-exceed \$363,000 for design services for the Project. The Board authorized amendments in August 2021 for \$193,000 for additional design services and in June 2022 for \$1,210,000 for engineering services during construction and construction management services, for a total not-to-exceed amount of \$1,766,000.
- The Project's original in-service date was September 2023. The Project is near completion and estimated to be in-service in fall 2024. Construction delays caused by longer-than-anticipated material and equipment delivery have resulted in the need for additional construction phase support services.
- Staff recommends the Board authorize the General Manager to amend the Agreement with Carollo for an additional \$106,000 (which includes 10% contingency), for a total not-to-exceed amount of \$1,872,000.

**FUNDING:**

Funding is available from Fund 120 – Water Enterprise Renewal/Replacement and System-Wide improvements.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

RESOLUTION NO. 24-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Amendment to the Professional Services Agreement with Carollo for Engineering and Construction Management Services for the Mocho Groundwater Demineralization Plant Concentrate Conditioning Project**

WHEREAS, the proposed action is in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the water system Capital Improvement Program, Initiative 5 – Meet or surpass all drinking water health and safety requirements, and Initiative 7 – Manage the GSA and implement the groundwater management plan; and

WHEREAS, in October 2020, the Board authorized the General Manager to negotiate and execute a contract with Carollo Engineers, Inc., in the amount not-to-exceed \$363,000 for design services for the Mocho Groundwater Demineralization Plant Concentrate Conditioning Project; and

WHEREAS, in August 2021 and June 2022, the Board authorized amendments to contract A21-51-CAR in the amounts of \$193,000 and \$1,210,000 respectively, for a total not-to-exceed amount of \$1,766,000, for additional design services, engineering services during construction, and construction management services; and

WHEREAS, Carollo Engineers, Inc.’s performance under contract A21-51-CAR has been to the Agency’s satisfaction; and

WHEREAS, the contract amount needs to be increased by an additional \$106,000 to provide additional construction phase support services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute an amendment to the contract with Carollo Engineers, Inc., for additional construction phase support services in an amount of \$106,000, for a total not-to-exceed amount of \$1,872,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

**ORIGINATING SECTION:** Flood Protection Engineering  
**CONTACT:** Jeff Tang/Edward Reyes

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Second Amendment to the Professional Services Agreement with ESA for Hydrologic and Hydraulic Modeling Support Services for Flood Management Plan Phase 2A

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities, and is preparing a Flood Management Plan (FMP) to assess system-wide performance under long-term conditions, including effects of climate change, and to recommend programmatic improvements to the flood protection system. The proposed action is in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- In February 2023, the Board authorized an agreement with Environmental Science Associates (ESA) in an amount not-to-exceed \$71,000 (which includes 10% contingency) for hydrologic and hydraulic modeling for Phase 2a of the FMP. In July 2024, the Board authorized an amendment for an additional \$66,000 to complete additional modeling to support Phase 2a of the FMP, for a total not-to-exceed amount of \$137,000.
- Detailed review of the hydrologic and hydraulic model completed by a third-party engineering firm identified more extensive updates to model parameters and calibration are needed than had previously been identified. The updates include modifications to assumed infiltration rates, surface roughness, flow capacities of some drainage networks, hydraulic barriers and other hydraulic assumptions, along with anticipated future development. ESA concurs with the recommendations and has prepared a scope of work and plan to update the model and run the scenarios to support the FMP Phase 2a work. A second amendment to the Agreement is needed for ESA to complete this work.
- ESA will complete the updates and conduct model runs under assumed storm events with various return periods and under current hydrologic conditions and future scenarios that include climate change assumptions. Once complete the results will be the basis modeling anticipated damages under each scenario to quantify potential economic implications. The work is anticipated to be completed in early 2025. The schedule for next steps and Board workshops will be developed afterward.



- Staff recommends the Board authorize the General Manager to amend the Agreement with ESA for an additional \$70,400 (which includes 10% contingency), for a total not-to-exceed amount of \$207,400.

**FUNDING:**

Funding is available in the FY 2024-26 Two-Year Adopted Budget for Fund 200 – Flood Protection Operations and Fund 210 – Flood Protection Development Impact Fee Fund.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 24-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Second Amendment to the Professional Services Agreement with  
ESA for Hydrologic and Hydraulic Modeling Support Services for  
Flood Management Plan Phase 2A**

WHEREAS, the proposed action is in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, in February 2023, the Board authorized the General Manager to negotiate and execute a contract with Environmental Science Associates in the amount not-to-exceed \$71,000 for hydrologic and hydraulic modeling support services to the Flood Management Plan Phase 2a; and

WHEREAS, in July 2024, the Board authorized an amendment to contract A23-79-ESA for an additional \$66,000, for a total not-to-exceed amount of \$137,000, for additional modeling to support Phase 2a of the Flood Management Plan; and

WHEREAS, Environmental Science Associates' performance under contract A23-79-ESA has been to the Agency's satisfaction; and

WHEREAS, the contract amount needs to be increased by an additional \$70,400 to provide further modeling support for the Flood Management Plan Phase 2a.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute an amendment to the contract with Environmental Science Associates for continued hydrologic and hydraulic modeling support for the Flood Management Plan Phase 2a in an amount of \$70,400, for a total not-to-exceed amount of \$207,400.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Flood Protection Engineering  
**CONTACT:** Edward Reyes

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Task Order with LARPD for Lake Del Valle Trail Project and Amendment to Zone 7 Lake Del Valle Property Agricultural Grazing Lease Agreement

**SUMMARY:**

- In addition to its primary mission of providing a reliable supply of high-quality water and an effective flood control system, Zone 7 has a long history of working with other local public agencies to make portions of its properties available to the public for park and recreational purposes.
- In November 2013, Zone 7 executed an Agricultural Grazing Lease Agreement (Grazing Lease) with Mr. Paul Banke to manage Zone 7's 5,000-acre Lake Del Valle Property. In September 2019, Zone 7 executed a Recreational Trail Use Agreement with Livermore Area Recreation and Park District (LARPD) to allow construction of a new two-mile long trail on the property that requires construction of fences and gates to protect the grazing operation prior to opening the trail to the public (see Figure 1).
- Zone 7, LARPD, and Mr. Banke worked together to define the improvements needed to meet the recreation and grazing objectives, including relocation of, and modifications to, cattle troughs and water storage tanks to improve water use efficiency that may qualify for federal assistance. Mr. Banke obtained quotes and is prepared to enter an agreement with a contractor to construct the improvements. The estimated total cost is approximately \$118,000, with cost share allocation to Mr. Banke, Zone 7, and LARPD of approximately \$24,000, \$34,000, and \$60,000, respectively, excluding federal assistance funds.
- Zone 7 and LARPD are party to the Tri-Valley Intergovernmental Reciprocal Services Master Agreement (Reciprocal Services Agreement), which enables the agencies to share resources, including purchases and procurement of contracting services to save time and money by streamlining processes that are similar in nature. LARPD intends to issue a task order to Zone 7 to implement the improvements to the Lake Del Valle property and to pay Zone 7 for LARPD's cost share.
- The existing Grazing Lease authorizes Mr. Banke to implement Zone 7-approved improvements on the Lake Del Valle Property and for Zone 7 to reimburse for those costs through rent offsets, up to 100 percent of the Lessee's rent. The total cost of approved improvements to date plus Zone 7's and LARPD's share of the trail project is estimated to exceed the rent amount by approximately \$60,000. An amendment to the Grazing Lease is

needed to enable Mr. Banke to complete this larger project and for Zone 7 to pay Mr. Banke the amount in excess of 100-percent of the Lessee's rent.

- Mr. Banke intends to pursue federal assistance for the trail project. In the event that federal assistance funds exceed his share of the trail project cost, the remaining funds shall be used by Mr. Banke towards improvements to the Lake Del Valle Property that are approved by Zone 7 in advance, and Mr. Banke may use up to 10 percent of the remaining federal assistance funds to pay his costs to administer the federal assistance agreement.
- Staff recommends that the Board authorize the General Manager to amend the agreement with Mr. Banke to 1) allow Zone 7 to pay Mr. Banke for costs of large projects that exceed 100 percent of the rent amount, 2) require federal assistance funds received for work on the property be used towards improvements to the Lake Del Valle Property and to administer the federal assistance agreement.
- Staff recommends that the Board authorize the General Manager to negotiate and execute a task order with LARPD through the Reciprocal Services Agreement for LARPD's payment of their cost share for trail project. The not-to-exceed amount of the Task Order is \$60,000.

**FUNDING:**

Funding for Zone 7's share of trail project costs is available in the FY 2024-26 Two-Year Adopted Budget for Fund 100 – Water Enterprise Fund and Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:**

Adopt the attached two Resolutions.

**ATTACHMENTS:**

1. Resolution – Task Order with LARPD for Patterson Pass Trail Improvements
2. Resolution – Amendment to Agricultural Grazing Lease Agreement
3. Figure 1 – Lake Del Valle Property Improvements Map

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Agreement with Livermore Area Recreation and Park District (LARPD) for Lake Del Valle Property Improvements – Task Order**

WHEREAS, Zone 7 has a long history of making portions of Zone 7 property available to the public for park and recreational purposes; and

WHEREAS, in September 2019, Zone 7 and LARPD executed a Recreational Trail Use Agreement for the construction of a new trail on the Zone 7-owned Lake Del Valle Property; and

WHEREAS, in December 2014, Zone 7 (by Resolution No. 15-12) along with the cities of Pleasanton, Dublin, Livermore, San Ramon, and the Dublin San Ramon Services District, entered into the Tri-Valley Intergovernmental Reciprocal Services Master Agreement (Reciprocal Services Agreement); and

WHEREAS, in July 2024, LARPD entered into Reciprocal Services Agreement; and

WHEREAS, the objective of the Reciprocal Services Agreement enables agencies to share resources, including purchases and procurement of contracting to save time and money by streamlining processes that are similar in nature; and

WHEREAS, LARPD is responsible for a portion of the improvements required on the Lake Del Valle Property prior to opening the trail for public access; and

WHEREAS, Zone 7's Lessee on the Lake Del Valle Property will arrange for the construction work for improvements including new fences, gates, water storage, and water transfer system; and

WHEREAS, the not-to-exceed amount of the task order is \$60,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as needed a task order with LARPD through the Reciprocal Services Agreement for LARPD's payment of their cost share for the trail project in an amount not to exceed \$60,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Amendment to Zone 7 Lake Del Valle Property  
Agricultural Grazing Lease Agreement**

WHEREAS, in November 2013, Zone 7 acquired approximately 5,000 acres of land (Lake Del Valle Property) adjacent to Department of Water Resources' Lake Del Valle for the purpose of watershed protection; and

WHEREAS, in October 2015, the Board authorized the General Manager to negotiate and execute an Agricultural Grazing Lease Agreement (Lease) with Mr. Paul Banke (Lessee) for the Zone 7-owned Del Valle Property following a formal Request for Proposals process; and

WHEREAS, Zone 7 intends to reimburse Lessee for special work or programs performed by Lessee under this Lease that is over and above its basic operational and maintenance obligations such as the improvements required for the new Livermore Area Recreation and Park District (LARPD) trail, including paying Lessee for amounts that exceed the monthly lease amount; and

WHEREAS, Lessee may be eligible for federal assistance for completing certain special work or programs and federal assistance programs may require contract administration by the Lessee.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute an amendment to the Agricultural Grazing Lease agreement (A21-31-PAU) with Paul Banke to:

1. Enable Zone 7 to reimburse the Lessee for special work or programs performed by Lessee over and above its basic operational and maintenance obligations under this Lease as approved by Zone 7, including paying Lessee for amounts that exceed the monthly lease amount;
2. Require Lessee to report any federal assistance received by Lessee for scope of work paid for or reimbursed by Zone 7;

3. Require that federal assistance shall be used towards the improvements and maintenance of the leased property as approved by the Zone 7; and,
4. Allow up to 10 percent of federal assistance to be used by Lessee at the Lessee's discretion to offset the cost of federal assistance contract administration.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

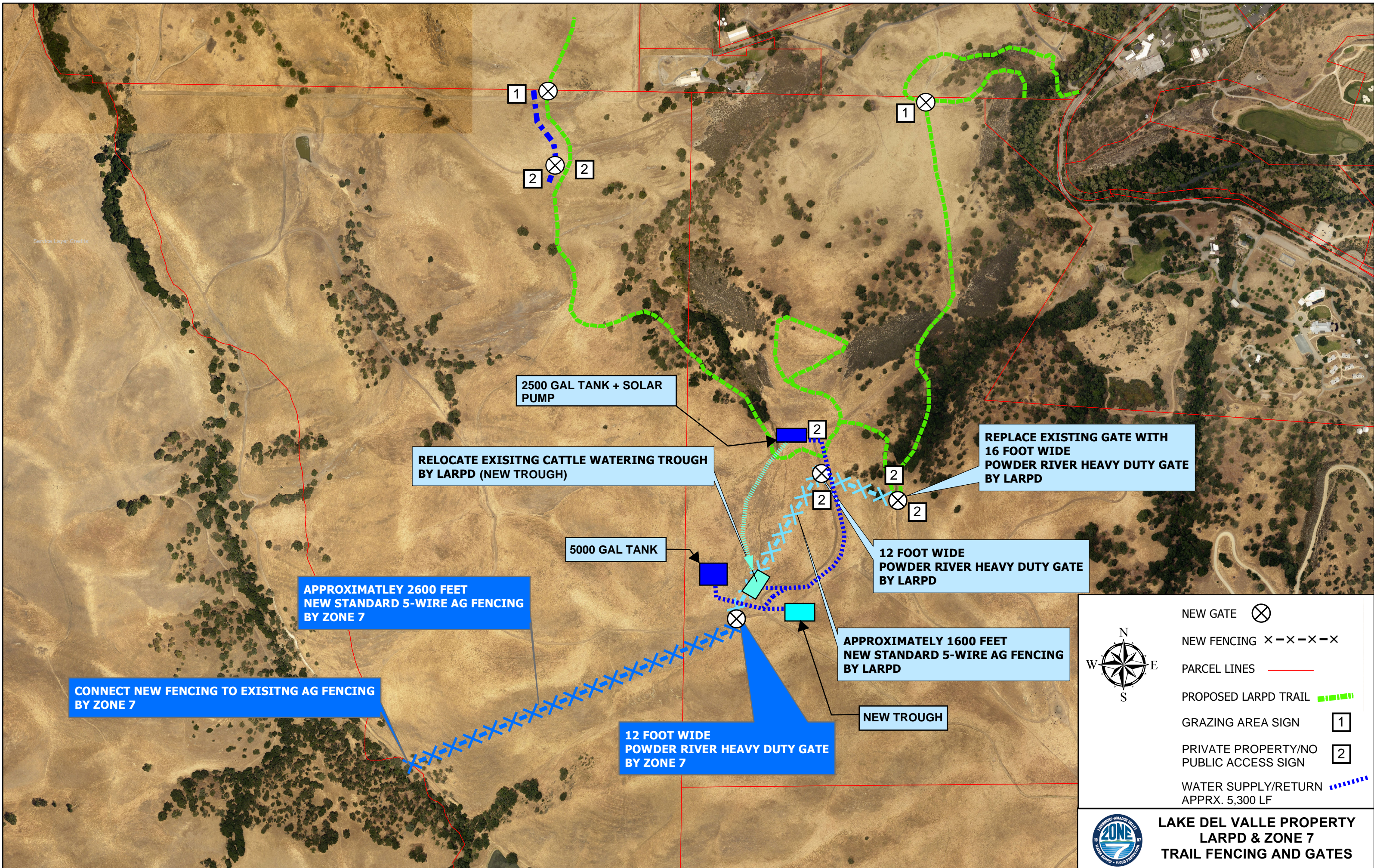
ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors





	NEW GATE	
	NEW FENCING	
	PARCEL LINES	
	PROPOSED LARPD TRAIL	
	GRAZING AREA SIGN	
	PRIVATE PROPERTY/NO PUBLIC ACCESS SIGN	
	WATER SUPPLY/RETURN APPRX. 5,300 LF	


**LAKE DEL VALLE PROPERTY LARPD & ZONE 7 TRAIL FENCING AND GATES**

**ORIGINATING SECTION:** Administrative Services  
**CONTACT:** Shelisa Jackson/Osborn Solitei

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Personnel Action: Network Engineer, Zone 7

**SUMMARY:**

- The Agency continues to assess staffing needs, as we maintain a lean, cost-effective organizational model aligned with our goals. This proposed action is in support of Strategic Plan Initiative No. 11 – Review professional development approach to maintain workforce capability for now and into the future.
- Based on operational need, the Network Engineer, Zone 7 classification will be responsible for ensuring the reliability, security, and optimal performance of the Agency’s network systems and servers, as well as providing expert-level support for network-related issues. This position will work with internal and external stakeholders to identify, recommend, develop, implement, and support cutting-edge solutions, and develop and implement information technology (IT) related policies, procedures, and best practices. Funding for this position is included as part of the FY 2024-26 Two-Year Adopted Budget.
- The Network Engineer, Zone 7 classification was approved by the Alameda County Civil Service Commission at the June 26, 2024, meeting.
- The proposed salary structure will be deep class with the salary based on internal classification alignment with Senior Engineer/Geologist, Zone 7, as follows:

<b>Network Engineer, Zone 7</b>					
<b>Effective: September 29, 2024</b>	<b>STEP 1</b>	<b>STEP 2</b>	<b>STEP 3</b>	<b>STEP 4</b>	<b>STEP 5</b>
<b>Bi-Weekly</b>	<b>\$6,686.40</b>				<b>\$8,129.60</b>
<b>Hourly</b>	<b>\$83.58</b>				<b>\$101.62</b>

**FUNDING:**

The cost for the Network Engineer, Zone 7 position is approximately \$330,000 per year, including benefits. Funding for this position is available in Fund 100 – Water Enterprise Operations and Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:**

The General Manager recommends that the Board adopt the attached Resolution to (1) approve the addition of one position at the proposed salary schedule; and (2) authorize the General Manager to approve and sign the salary schedule for this position.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

RESOLUTION NO. 24-

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Personnel Action: Network Engineer, Zone 7**

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District is committed to delivering safe, reliable, efficient, and sustainable water and flood protection services; and

WHEREAS, Zone 7 continues to assess the staffing needs of the Agency as we maintain a lean, cost-effective organizational model aligned with our goals and Strategic Plan Initiative No. 11 – Review professional development approach to maintain workforce capability for now and into the future.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the following personnel action:

New classification and salary schedule for Network Engineer, Zone 7, effective September 29, 2024:

<b>Network Engineer, Zone 7</b>					
	<b>STEP 1</b>	<b>STEP 2</b>	<b>STEP 3</b>	<b>STEP 4</b>	<b>STEP 5</b>
<b>Bi-Weekly</b>	<b>\$6,686.40</b>				<b>\$8,129.60</b>
<b>Hourly</b>	<b>\$83.58</b>				<b>\$101.62</b>

; and

BE IT FURTHER RESOLVED that the General Manager of Zone 7 is hereby authorized and directed to approve and sign the salary schedule for this position; and

BE IT FURTHER RESOLVED that the Auditor Controller of Alameda County is authorized and directed to draw the necessary payroll warrants from Zone 7 funds in accordance with the adopted schedule.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 18, 2024.

By: \_\_\_\_\_  
President, Board of Directors



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

**ORIGINATING SECTION:** Water Quality

**CONTACT:** Brian Keil/Angela O'Brien

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Partnership for Safe Water Award

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 participates in the Partnership for Safe Water (Partnership), a voluntary national program intended to improve delivered water quality by optimizing water system operations. These activities are in support of Zone 7 Strategic Plan Initiative 5 – Meet or surpass all drinking water health and safety requirements.
- Zone 7 has been honored with the prestigious 25-Year Directors Award for the Del Valle Water Treatment Plant (DWWTP). The Partnership sets voluntary goals that are more stringent than regulatory standards. Zone 7 has participated in the Partnership and submitted annual reports for DWWTP since 1998. This award recognizes Zone 7's long-standing commitment to delivering high-quality drinking water to its customers.
- The Partnership program involves collaboration with six drinking water organizations (U.S. Environmental Protection Agency, American Water Works Association, Association of Metropolitan Water Agencies, National Association of Water Companies, and Association of State Drinking Water Administrators) and over 250 water utilities serving over 85 million people. Zone 7 is one of only twelve utilities nationwide to receive this award.
- The Directors Awards are distributed in five-year increments based on AWWA Partnership staff's review of the annual reports to verify the progress made towards optimization. For the last 25 years, the DWWTP has consistently met the Partnership's stringent treatment goals and recently improved overall water quality through the completion of the ozonation project in 2020.

**FUNDING:**

No funding is required.

**RECOMMENDED ACTION:**

Informational only.



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

**ORIGINATING SECTION:** General Manager  
**CONTACT:** Valerie Pryor

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Los Vaqueros Reservoir Expansion Project Policy Principles

**SUMMARY:**

To support our Mission of delivering safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has been actively evaluating participation in the Los Vaqueros Reservoir Expansion Project (LVE). This action aligns with Strategic Plan Goal A – Reliable Water Supply and Infrastructure, and it contributes to Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.

The Project aims to expand Contra Costa Water District's (CCWD's) existing Los Vaqueros Reservoir from a storage capacity of 160,000 acre-feet (AF) to 275,000 AF, upgrade CCWD's facilities, and construct the Transfer-Bethany Pipeline. The Project is expected to provide various benefits, including environmental enhancements, increased water supply reliability, improved operational flexibility, better water quality, and recreational opportunities. The Project could provide new alternative conveyance and upstream local water storage to Zone 7. Zone 7 is currently considering a storage buy-in of up to 10,000 AF and a Transfer-Bethany Pipeline buy-in ranging from 1% to 5%.

On June 11, 2024, the General Manager of CCWD sent the attached letter requesting feedback on key policy questions related to LVE. The Zone 7 Ad Hoc Committee on LVE Policy Principles reviewed and discussed these policy questions on August 26, 2024. This report provides a summary of that discussion.

Please note that this discussion is focused on a few key policy principles outlined in the letter and does not delve into the overall merits of the project or Zone 7's business case for participation. Detailed discussions on these topics will take place once more complete information becomes available.

**DISCUSSION**

**CCWD Policy Questions Related to the Design and Construction Agreement:**

- Are member agencies committed to the Beneficiaries Pay principle?
- Do member agencies concur that CCWD is not a beneficiary of the dam enlargement and Transfer Bethany Pipeline and shall not be financially responsible for related construction costs and risk?

### **Staff's Discussion:**

- The draft Design and Construction Agreement stipulates that CCWD will retain control over decisions affecting design and construction on CCWD-owned facilities, including:
  - Selecting contracts
  - Awarding bids
  - Setting contingency amounts
  - Using contingencies
  - Executing change orders
- CCWD will share information with the Los Vaqueros Reservoir Joint Powers Authority (JPA) throughout the process. However, member agencies will not be allowed to participate in decision-making and will pay for all costs.

### **Committee's Response:**

- The Committee questioned whether CCWD is indeed not a beneficiary of the project.
- Concerns were raised about accountability and oversight.
- The Committee believes that parties paying for design and construction should have some say in the process.
- At a minimum, the Committee wants:
  - An oversight committee
  - Regular reporting on:
    - Expenditures
    - Status of RFPs and procurement processes
    - Construction contracts

### **CCWD Policy Questions Related to the Facilities Usage Agreement:**

- Are member agencies willing to sign agreements that do not include a guaranteed delivery of water?
- Are members willing to consider their commitments to the Project with the usage fees as currently calculated?

### **Staff's Discussion:**

- Member agencies requested that CCWD quantify the availability of excess capacities for their planning purposes, even if it's not included in the agreement.
- To date, CCWD has not defined available excess capacities.
- Staff reported that negotiations are underway on many planning, operational, and financial terms.
- Complete information is not currently available and varies throughout the negotiations.
- Negotiation sessions are scheduled through September.
- CCWD maintains that there is sufficient capacity for the member agencies on an annual basis and is willing to work with the JPA modeler to quantify available capacity.

### **Committee's Response:**

- Citing the State Water Project contract, the majority of the Committee was willing to consider signing agreements that do not include guaranteed delivery of water if Zone 7 staff reviewed modeling information and determined that deliveries would be generally available.
- The Committee discussed that the usage fees are under negotiation and information is incomplete.
- Concerns were expressed about usage fees, including:
  - Historic costs for the original project
  - Paying fees at times when deliveries are not available
- The Committee will further discuss this topic when more information is available.

### **CCWD Policy Questions Related to the Backstop Agreement:**

- Do member agencies agree that any costs related to a backstop plan and agreement should be paid for by member agencies, not CCWD, as there are necessary costs to facilitate constructing the larger dam?

### **Staff's Discussion:**

- The reservoir will be completely drawn down during the Project, affecting:
  - Water quality blending
  - Drought supplement supply
  - Emergency supply (potentially for up to five years)
- A backstop program to address this includes:
  - Agreements with the Bureau of Reclamation and the California Department of Water Resources to provide transfer water
  - Purchase of additional transfer water
  - Wheeling water through East Bay Municipal Utilities District Facilities
  - CCWD treatment plant improvements for water quality issues
  - Installing backup generators to move water when gravity-fed options are unavailable
- CCWD is still reviewing the components of the program, which will incur significant costs.
- The CCWD Board is still reviewing the program to determine if it poses an acceptable level of risk for its customers.
- Costs for the backstop plan are yet to be defined and its financial impact on members' business cases is currently unknown.

### **Committee's Response:**

- The Committee agreed that, at a policy level, member agencies should pay for these costs.



## **CCWD Policy Questions Related to the LV JPA Agreement:**

- Are member agencies willing to revisit terms of the JPA Agreement to clarify and amend the JPA Agreement to reflect foundational criteria?

## **Staff Discussion and Committee Recommendations:**

- **Changes to Section 1.6.4:**
  - **Proposed Change:** Adherence to CCWD Board principles as a requirement for the JPA, with adverse effects and determination at the sole discretion of the CCWD Board of Directors. Staff reports that this would give CCWD broad veto power over the JPA and its operations.
  - **Committee's Response:** No
- **Changes to Section 3.3:**
  - **Proposed Change:** Simple majority vote for most matters of JPA business (subject to veto rights in section 3.3.4.4).
  - **Committee's Response:** Yes
- **Changes to Section 3.3.3.8.1:**
  - **Proposed Change:** Clarification on the potential admission of new members.
  - **Committee's Response:** Yes
- **Changes to Section 3.3.4.4:**
  - **Proposed Change:** CCWD (and EMBUD) would have veto rights over decisions inconsistent with Board principles or policies adopted prior to the JPA. Staff reports that this would give CCWD broad veto power over the JPA and its operations.
  - **Committee's Response:** No
- **Changes to Section 10.7:**
  - **Proposed Change:** Prohibits the JPA from any policy advocacy, legislative, lobbying, or governmental affairs activities.
  - **Committee's Response:** Perhaps. Subject to adding language that CCWD engages in appropriate advocacy for the Project to protect water rights, operations, and permit terms.

## **CCWD Policy Question Related to the Status of Member Agency Business Case:**

- Is your agency on track to complete the remaining analysis needed to finalize your business case and determine Project participation by September 2024?

## **Discussion:**

- Staff recommended that the answer is "No" due to:
  - Zone 7-specific modeling not being available and reviewed until later this year.

- Without significant progress on the Facilities Use Agreement, information on access, backstop plan costs, and financial implications, Zone 7 won't be able to finalize the business case and determine participation.

**FUNDING:**

Not requested at this time.

**RECOMMENDED ACTION:**

Provide direction to finalize the responses.

**ATTACHMENTS:**

1. Letter from Contra Costa Water District (CCWD) dated June 11, 2024
2. CCWD Resolution 03-24
3. Proposed Amendments to the LVE Joint Exercise of Powers Agreement



**BOARD OF DIRECTORS**

Ernesto A. Avila, P.E.

PRESIDENT

Antonio Martinez

VICE PRESIDENT

John A. Burgh

Connstance Holdaway

Patt Young

**GENERAL MANAGER**

Rachel Murphy, P.E.

June 11, 2024

LV JPA Member Agency General Managers

Dear General Managers and Member Agency Representatives:

At the June 5, 2024, Contra Costa Water District (CCWD) Board Meeting, the CCWD's Board of Directors took action to authorize the execution of Amendment No. 6 to Multi-Party Cost Share Agreement for the Phase 2 Los Vaqueros Reservoir Expansion Project (Project). The revised motion approved by the CCWD Board included a directive for me to work with the Los Vaqueros (LV) Joint Powers Authority (JPA) Member Agency General Managers to gain clarity about each agency's level of commitment to the Project based on the updated Project costs, estimated benefits, and agreement terms as currently defined, and to bring back a report to the CCWD Board in September on the member agency commitments.

CCWD, the LV JPA, and all member agencies have been working on several agreements needed to move forward with the Project. While progress has been made, there are significant unresolved issues. The significant disagreement on key agreement terms does not appear to be resolved, which understandably impacts the ability of each member agency to make firm commitments to the Project.

At the same time, the LV JPA is continuing negotiations of Project benefits with state and federal agencies; however, the lack of alignment among member agencies on these agreements could translate into a potentially disjointed strategy for negotiating these Project benefits. We are at a pivotal stage in the Project, and it is imperative that we engage on those policy decisions that are needed to determine each agency's willingness to enter into these long-term Project agreements.

To that end, attached is a summary of issues and policy questions I have discussed with this group. I appreciate your willingness to consider these specific policy questions, which will allow each member agency to assess whether alignment on key issues exists ahead of additional negotiations. I look forward to working with each of the General Managers on these critical discussions and stand ready to provide additional needed information or assistance to facilitate these discussions.

Sincerely,

A handwritten signature in blue ink that reads "Rachel Murphy".

Rachel Murphy  
General Manager

Attachment

cc: LVR-JPA Executive Director Taryn Ravazzini  
CCWD Vice President Antonio Martinez

## **CONTRA COSTA WATER DISTRICT**

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### Los Vaqueros Reservoir Phase 2 Expansion Agreements - Outstanding Issues

#### **BACKGROUND:**

Contra Costa Water District (CCWD) constructed the Los Vaqueros Reservoir (Reservoir) in the 1990s to provide emergency water supply and water quality benefits for its customers. After initial construction was completed, CCWD began working with regional, state and federal agencies on plans to expand Reservoir capacity to provide regional benefits. After the Draft EIR/S was published in 2009, a two-phased approach was adopted for implementation:

- Phase 1 expanded the Reservoir from 100 thousand acre-feet (TAF) to 160 TAF to provide water supply reliability for CCWD during droughts, while enhancing the water quality and emergency storage benefits of the original Los Vaqueros Reservoir. Phase 1 construction costs were borne wholly by CCWD, as no willing partners were identified at that time.
- Phase 2 was developed to make use of excess capacity in CCWD's facilities that could be utilized together with modified/new facilities, including further expansion of the Reservoir to 275 TAF and additional conveyance facilities, during periods when water supply conditions are favorable to provide water supply, drought resiliency and ecosystem benefits at a regional scale for other water agencies. In 2021, a Joint Powers Authority (JPA) of eight local agencies was formed to provide governance, financing, and administration of the project.

#### **STATUS OF AGREEMENTS / OUTSTANDING ISSUES:**

CCWD, the Los Vaqueros Reservoir JPA and its member agencies have been working on several agreements needed to move forward with the Phase 2 Expansion Project (Project).

The JPA is continuing negotiations on Project benefits with state and federal agencies. It is noteworthy that the Project benefits are not yet defined. It is also noteworthy that there is a lack of alignment among member agencies on these agreements. It is imperative for leadership at each member agency to engage on the policy decisions that are needed to determine each agency's willingness to enter into these long-term agreements.

The following is a summary of significant unresolved issues with these various agreements and policy decisions that need to be addressed.

#### **1. Design and Construction Agreement**

**ISSUE:** Parties have not yet agreed on a methodology for allocating risk and responsibility for the total cost of construction, including potential cost overruns.

**SUMMARY:** CCWD is unwilling to bear construction risks because CCWD does not receive benefits from the resulting facilities, specifically the dam enlargement and Transfer Bethany Pipeline. Assuming construction risk for Project elements – from which an agency does not derive benefits – is inconsistent with the “Beneficiaries Pay” principle embedded into all of the project planning to date. Understandably, other JPA members have expressed their own concerns about assuming risk for facilities that do not benefit their customers and concerns

about assuming risk for unknown potential costs. These concerns are especially pronounced given that the total project benefits are not yet known and are less than originally assumed. A final unresolved issue is the fact that CCWD will be taking on substantial risk associated with the decommissioning of its primary Reservoir during the construction period. (See Backstop Agreement below)

POLICY QUESTIONS: Are member agencies committed to the Beneficiaries Pay principle? Do member agencies concur that CCWD is not a beneficiary of the dam enlargement and Transfer Bethany Pipeline and shall not be financially responsible for related construction costs and risk?

## **2. Facilities Usage Agreement**

ISSUE: Parties have not agreed on how the various facilities would be utilized, including CCWD's Reservoir and conveyance facilities, and East Bay Municipal Utility District's conveyance facilities. Additionally, the parties have not agreed on the usage fees associated with use of CCWD's existing facilities as part of the Project.

SUMMARY: Several proposals made during negotiations would put CCWD customer water quality and water supply at risk, which conflicts with the fundamental principles of using only excess capacity and not creating negative impacts to CCWD customers. Similarly, CCWD must protect its customers significant past investments in the Reservoir and conveyance facilities. Examples of terms proposed by the JPA include:

- Narrowly defining the Reservoir capacity needed to meet CCWD demands and not recognizing capacity needed for refilling or other operational needs
- Requiring a guaranteed amount for water deliveries, which counters the "excess capacity" principle and could impact the ability for CCWD to meet its needs
- Requiring a role for the JPA in determining what CCWD's demands and needs are through an annual meet and confer process.
- Proposing a discount in usage fees in future years if JPA needs are not met in a particular year
- Establishing a permanent dedicated capacity right for the JPA in CCWD's Pumping Plant #1

Guaranteeing deliveries to member agencies would either result in a negative impact to CCWD customers or a violation of permit conditions.

CCWD initially released preliminary usage fees in 2018, which have undergone a series of reviews and updates since that time. A non-binding Letter of Intent concerning development of the usage fees for CCWD facilities was executed in March 2021, ahead of JPA formation. Negotiations continued following JPA formation and were paused in early 2023 to allow for development of the Facilities Usage Agreement term sheet and draft agreement.

POLICY QUESTIONS: Delivery of Project benefits is reliant on the availability of excess capacity in CCWD infrastructure and favorable water supply conditions. Are member agencies willing to sign agreements that do not include a guaranteed delivery of water? There has been a significant reduction in usage fees in comparison to the preliminary usage fees released in October 2018. Are member agencies willing to consider their commitments to the Project with the usage fees as currently calculated? Commitments to guaranteed deliveries and future discount of usage fees will put CCWD customers at risk and will not be negotiated.

### **3. Backstop Agreement**

ISSUE: A backstop plan and agreement for CCWD are needed to ensure adequate assurance that water supply and water quality for CCWD customers will be maintained at acceptable levels during dam demolition, reconstruction, and refilling.

SUMMARY: An analysis by East Bay Municipal Utility District found that it could supply CCWD with backstop water at certain times, but not others due to its own needs and planned facilities projects. To fill gaps in meeting water supply and quality needs during this period, CCWD is analyzing a suite of temporary measures, including modified and additional processes at CCWD water treatment plants and emergency backup generators at its intake pumps. These measures would deal with a portion, but not all, of the anticipated impacts. In addition, these modifications do not address CCWD's emergency supply concerns. New supply agreements and assurances regarding CCWD's existing CVP supplies are still needed to replace water supplies that would otherwise have been available from Los Vaqueros Reservoir storage for CCWD use during emergencies, both drought and non-drought.

POLICY QUESTION: While a policy question remains for CCWD to determine what level of risk, if any, to its customers' water supply is acceptable during dam construction, do member agencies agree that any costs related to a backstop plan and agreement should be paid for by member agencies, not CCWD, as these are necessary costs to facilitate constructing the larger dam?

### **4. LV JPA Agreement**

ISSUE: CCWD has worked to incorporate protection of its customers and their significant past investments into the terms for various Project agreements and permits, consistent with foundational Project documents, agreements, and environmental approvals.

SUMMARY: CCWD has proposed modifications to several terms of the LV JPA Agreement to ensure that the JPA operates, and is governed, consistent with foundational Project criteria to protect the interests and significant prior investments of CCWD ratepayers. CCWD's proposed modifications have been reviewed by legal counsel for the JPA and members. Further action was deferred to focus on the Design and Construction and Facilities Usage Agreements.


POLICY QUESTION: Are member agencies willing to revisit terms of the JPA Agreement to clarify and amend the JPA Agreement to reflect foundational Project criteria?

### **5. Status of Member Agency Business Case**

ISSUE: Member Agencies have stated that additional work is needed to develop their business case for Project participation.

SUMMARY: CCWD has provided extensive information about costs, benefits, agreement terms and operations of the Project to the JPA and member agencies. Discussions at the GM meetings and LV JPA Board meetings have touched on the topic of where member agencies are at with their business case development, but there has been little defined progress. With the JPA meeting with state and federal agencies to negotiate Project benefits, commitments from members agencies in the near term is necessary to establish agreed upon terms of negotiation.

POLICY QUESTION: Is your agency on track to complete the remaining analysis needed to finalize your business case and determine Project participation by September 2024?

  
Lynne C. Holland, Acting District Secretary  
Contra Costa Water District

**RESOLUTION NO. 03-24**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF CONTRA COSTA  
WATER DISTRICT MAKING DETERMINATIONS AND ADOPTING  
CONDITIONS FOR DISTRICT PARTICIPATION IN AND SUPPORT FOR  
IMPLEMENTATION OF THE CALFED BAY-DELTA PROGRAM PROPOSAL  
FOR EXPANSION OF LOS VAQUEROS RESERVOIR**

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**RECITALS**

- 1. DISTRICT MISSION:** The mission of the Contra Costa Water District (“District”) is to strategically provide a reliable supply of high quality water at the lowest cost possible, in an environmentally responsible manner.
- 2. 1998 LOS VAQUEROS PROJECT PURPOSES:** On May 2, 1998 the District dedicated and put into service the Los Vaqueros Project, a 100,000 acre-foot drinking water reservoir in eastern Contra Costa County. The Los Vaqueros Project’s primary purposes, as set forth in District Resolution 88-45 (July 27, 1988), are “to improve water quality and provide emergency storage for the District’s ratepayers”. The additional purposes of the Los Vaqueros Project, as also set forth in Resolution 88-45 (July 27, 1988), are “to provide flood control benefits, maintain and enhance fish and wildlife resources, and provide recreational opportunities consistent with the primary water quality purpose and the preservation of the watershed and the watershed’s unique features”.
- 3. ADDITIONAL CONDITIONS SPECIFIED IN 1988 LOS VAQUEROS BALLOT MEASURE:** On November 8, 1988, the District’s voters overwhelmingly approved the sale of revenue bonds to finance the Los Vaqueros Project, and the election results were declared by the District’s Board in its Resolution 88-58 (November 30, 1988). The ballot measure placed before the District’s voters by the District’s Board of Directors in 1988 said, as required by District Resolution 88-46:

“Shall the Contra Costa Water District be authorized to issue and sell revenue bonds to finance the construction and acquisition of a District-controlled water storage and supply system, generally known as the Los Vaqueros Project, for the primary purposes of enhancing water quality and providing a source of emergency water supply, which shall not be operated in conjunction with a peripheral canal or to increase the export of water from Northern California without subsequent voter approval, with an estimated cost to the District in 1988 dollars of \$350,000,000, including reservoirs, recreational facilities, pipelines, pumping plants, fish screens, watershed lands, and other facilities convenient or necessary in obtaining and delivering water and mitigating the environmental impacts thereof?”

**4. COMPLIANCE WITH PROJECT PURPOSES AND CONDITIONS:** The Los Vaqueros Project has been meeting and will continue to meet the District’s commitment, as specified by Resolution 88-45 to:

- provide its customers with high quality water;
- provide its customers with an emergency supply of water;
- provide flood control benefits;
- maintain and enhance the fishery and terrestrial resources of the Delta and the watershed; and
- provide recreational opportunities consistent with the protection of water quality and emergency storage objectives and preservation of the watershed and the watershed’s unique features.

Further, the Los Vaqueros Project has also achieved the following results:

- The District built the Los Vaqueros Project at a total cost *less* than the budget of \$450,000,000 in actual expenditures (\$350,000,000 in 1988 dollars) as committed to and specified by Resolution 88-45;
- The environmental mitigation and protection measures for the Delta and the Los Vaqueros Watershed have exceeded the expectations described in the Final Stage 2 Environmental Impact Report/Environmental Impact Statement for the Los Vaqueros Project (Stage 2 EIR/EIS), provide a net benefit to the Delta and the watershed, and exceed the



District's commitment to mitigate environmental impacts to a level of less than significant, as specified by Resolution 88-45;

- The District's Board of Directors committed to developing a recreation plan for the Los Vaqueros Project as part of the Stage 2 EIR/EIS, as specified by Resolution 88-45, and said plan was developed in 1990, adopted by the Board February 15, 1991, and included in the Stage 2 Final EIR/EIS certified by the Board on October 27, 1993;
- The District has implemented a recreation program that significantly exceeds the plan described in the Stage 2 Final EIR/EIS;
- The recreation program at the Los Vaqueros Watershed has been a success, providing a well-attended interpretive center, docent tours of watershed features, more than fifty-five miles of trails, including sixteen miles of multi-use trails with linkages to adjacent lands that are open to the public, and a public fishing resource that has become widely recognized as one of the best of the Bay Area;
- The Los Vaqueros Project is entirely owned and operated by the District; and the entire cost of the Los Vaqueros Project was paid for by the ratepayers of the District; and
- It is the policy of the District to maintain rate increases below the level of inflation; and the District has complied with its policy by maintaining rate increases at less than the rate of inflation for over 10 years, with the average rate increase during the last 10 years equating to one half of the rate of inflation during that period.

**5. CALFED BAY-DELTA PROGRAM PROPOSAL FOR EXPANSION OF LOS VAQUEROS RESERVOIR:** CALFED is a consortium of state and federal agencies which are working together to solve the problems of the Sacramento-San Joaquin Delta. The mission of the CALFED Bay-Delta Program is to develop and

implement a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta System.

The CALFED Agencies issued the CALFED Bay-Delta Program Final Programmatic Environmental Impact Statement/Environmental Impact Report (CALFED Final PEIS/R) in July 2000, which described the long-term program to restore ecological health and improve water management in the Delta, and disclosed the impacts, cumulative impacts and mitigation measures and strategies for the entire CALFED Bay-Delta Program. The CALFED Agencies on August 28, 2000 adopted Findings and a Programmatic Record of Decision (CALFED ROD) that sets forth the CALFED Bay-Delta Program that is now being implemented. The CALFED ROD requires that project specific environmental documents tier off of the CALFED Final PEIS/R and include specific mitigation measures consistent with the programmatic measures of the CALFED ROD.

The CALFED ROD included expansion of Los Vaqueros Reservoir by up to 400,000 acre-feet (for a total water storage capacity of up to 500,000 acre-feet) as a surface storage project with participation by CCWD and local partners as part of a Bay Area water quality and water supply reliability initiative. The CALFED ROD states: "As part of a Bay Area initiative, an expanded Los Vaqueros Reservoir would provide water quality and water supply reliability benefits to Bay Area water users."

#### **6. CONTRA COSTA WATER DISTRICT PRINCIPLES FOR AN**

**EXPANSION:** The District has an interest in the CALFED Bay-Delta Program objectives to provide water quality and supply reliability benefits to Bay Area water users, and to enhance and restore the aquatic and terrestrial habitats and ecological functions of the Bay-Delta. The District must also ensure that the interests of the District and its ratepayers are protected. On April 19, 2000 the District's Board of Directors adopted seven principles (CCWD Principles) with regard to the CALFED ROD that state: "Contra Costa Water District will not support a proposal involving the existing Los Vaqueros Project or use of the Los Vaqueros or Kellogg reservoir sites without the following assurances:

1. The project improves water quality and reliability for CCWD;
2. The project enhances the Delta environment;
3. The project protects and enhances the fisheries and terrestrial species benefits provided by the existing Los Vaqueros Project;
4. The project preserves and increases the recreational opportunities of the Los Vaqueros Project;
5. CCWD must retain control of the watershed and operation of the reservoir;
6. The project protects and reimburses the financial investment made by the CCWD customers who financed the existing \$450 million Los Vaqueros Project; and
7. The proposal would be placed before the voters of the Contra Costa Water District

In express recognition of these principles, the CALFED ROD states: "As an existing reservoir operated by the Contra Costa Water District (CCWD), the Los Vaqueros Reservoir is subject to a number of mandates and agreements. DWR and Reclamation will work with CCWD and interested stakeholders to assure that previous commitments, including local voter approval required for expansion, are respected."

**7. OVER \$50 MILLION OF CALFED STUDIES INCLUDING EXPANSION OF LOS VAQUEROS RESERVOIR AND \$7 MILLION OF LOS VAQUEROS EXPANSION STUDIES COMPLETED, AND OVER THIRTY PUBLIC MEETINGS TO DATE:** CALFED Agencies have, through a seven-year effort costing over \$57 million, studied the environmental impacts of the CALFED Program, including the details of the Los Vaqueros Reservoir expansion, and have studied key planning concerns associated with the Los Vaqueros Reservoir. The CALFED Final PEIS/R constitutes the first tier of environmental analysis, addressing the effects of the CALFED Bay-Delta Program as a whole. Since CALFED Agencies adopted the Record of Decision, CALFED Agencies and the District have formed a Study Team for the purpose of carrying out the CALFED Los Vaqueros Reservoir Expansion Studies (Studies), which started in January 2001. The California Department of Water Resources, California Department of Fish and Game, U.S. Fish

and Wildlife Service, Alameda County Water District, Zone 7 of Alameda County Flood Control and Water Conservation District, Santa Clara Valley Water District, City and County of San Francisco Public Utilities Commission, San Francisco Bay Area Water Users Association, and the District executed a Memorandum of Understanding in 2001 that describes how the Studies would be carried out. The District has implemented a public process designed to provide in-depth public information, feedback and consultation:

- A Draft Project Concept Report was produced in August 2002 that conceptually described how a Los Vaqueros Reservoir expansion could be carried out in a way that would meet the CALFED ROD objectives for an expansion project and the District's Principles;
- The Draft Project Concept Report was published and made available at public libraries and other facilities convenient to the general public, and was made available on the Studies' website, and three public workshops were held on the Draft Project Concept Report on September 10 and September 16, 2002;
- Comments were received from the public on the Draft Project Concept Report through written correspondence and at the public workshops, and all comments on the Draft Project Concept Report were kept as part of the public record;
- Based upon this public participation and further detailed study, a Draft Planning Report was produced in May 2003 that included the detailed information required to determine whether the CALFED Bay-Delta Program proposal could meet the CALFED ROD objectives for an expansion project and the District's Principles,
- The Draft Planning Report described in detail the facilities required for the full range of scenarios of a reservoir expansion under the CALFED Bay-Delta Program proposal, the costs of the facilities, potential project partners, and the operations of the facilities that would be required to meet the CALFED ROD objectives for an expansion project and the District's Principles,

- The Draft Planning Report included an environmental impact analysis that described in detail the full range of environmental impacts of a Los Vaqueros Reservoir expansion, including the details of impacts on: Delta water quality; water levels; water velocities; channel flows; salinity in the western Delta and Bay; fishery and aquatic resources in the Delta and Bay; terrestrial habitat and species as a result of inundating lands within the watershed; terrestrial habitat and species as a result of constructing the project facilities; socioeconomics of the area; environmental justice; and growth;
- The Draft Planning Report also described in detail the benefits of the project for water supply during droughts and water quality for the District and the Bay Area; the net benefits that a Los Vaqueros Reservoir expansion project would have for Delta fisheries and aquatic resources; the mitigation strategies that would be required to reduce terrestrial impacts in order to meet the CALFED Bay-Delta Program objectives described in the CALFED ROD and the District's Principles; and the institutional arrangements that are required to meet the District's Principles for a CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir;
- The Draft Planning Report also described in detail how the District's investment in the Los Vaqueros Project would be protected and estimated that the District would be reimbursed an amount of up to \$200,000,000 in 2008 dollars;
- Copies of draft sections of the Draft Planning Report, known as Draft Briefing Papers, were published and made available at public libraries and other facilities convenient to the general public, and were made available on the Studies website;
- More than thirty public meetings and public workshops within the District and the Bay Area were held on the Draft Project Concept Report, Draft Briefing Papers and Draft Planning Report. Twenty Public Workshops on the Draft Briefing Papers and Draft Planning Report were held on January 30, February 4,

February 19, March 4, March 6, March 19, April 17, April 22, May 21, May 29, June 3, June 4 and June 18, 2003, and comments were received from the public through written correspondence and at the public workshops on the Draft Briefing Papers; and

- All comments on the Draft Briefing Papers were kept as part of the public record and together with the comments on the Draft Project Concept Report were responded to and incorporated into and made part of the Draft Planning Report.

The information contained in the Draft Planning Report shows that the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir that meets the CALFED ROD objectives for said expansion can and will meet the Principles 1 through 6 inclusive, as adopted by the District's Board of Directors on April 19, 2000. Specifically, the Draft Planning Report shows that water supply reliability during droughts and water quality will be improved by storing high-quality water in the expanded reservoir during wet periods for use in periods of drought; the Draft Planning Report further shows that enhancements to the Delta aquatic environment will be made through the use of state-of-the-art fish screens and through improving the timing and location of diversions and the management of water for environmental purposes, made possible by the expanded reservoir.

### **RESOLUTION**

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Contra Costa Water District that the foregoing Recitals are hereby incorporated into and made a part of these determinations by the Board.

BE IT FURTHER RESOLVED that the Board hereby finds and determines that the purposes of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir for a total water storage capacity up to 500,000 acre-feet, as

described in the CALFED ROD, are to improve water supply during droughts and water quality for Bay Area water agencies, including the Contra Costa Water District.

BE IT FURTHER RESOLVED that the Board hereby finds and determines that the purposes of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir, as described in the CALFED ROD, also are to provide fisheries benefits, to provide environmental benefits, to enhance the Delta environment and to protect Delta endangered species and aquatic resources;

BE IT FURTHER RESOLVED that the Board hereby reaffirms its commitments made to the District's voters in the 1988 Los Vaqueros Project ballot measure that the existing and an expanded Los Vaqueros Reservoir "shall not be operated in conjunction with a peripheral canal or to increase the export of Delta water from Northern California without subsequent [CCWD] voter approval";

BE IT FURTHER RESOLVED that the Board hereby finds and determines that the purposes of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir do not include operation of the Los Vaqueros Reservoir in conjunction with a peripheral canal or to increase the export of Delta water from Northern California;

BE IT FURTHER RESOLVED that the Board finds and determines that the support of the District for a CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir is dependent upon the CALFED ROD implementation commitment of "beneficiaries pay" and that the costs of any CALFED project for an expanded Los Vaqueros Reservoir will be borne equitably by the beneficiaries of said project.

BE IT FURTHER RESOLVED that the Board finds and determines that the support of the District for a CALFED Bay-Delta Program proposal for expansion of

Los Vaqueros Reservoir is dependent upon authorizing federal and/or state legislation that specifically provides for long-term environmental benefits in the Delta as a project purpose.

BE IT FURTHER RESOLVED that consistent with the District's Principles for participation adopted by the Board of Directors on April 19, 2000 and recognized in the CALFED Bay-Delta Program Programmatic Record of Decision on August 28, 2000, the Board finds and determines that the District will not participate in or support the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir unless the Board determines that the CALFED Bay-Delta Program proposal meets the following conditions:

1. Improves drinking water quality for CCWD customers beyond that available from the existing Los Vaqueros Project;
2. Improves the reliability of water supplies for CCWD customers during droughts;
3. Enhances Delta habitat and protects endangered Delta fisheries and aquatic resources by installing state-of-the-art fish screens on all new intakes and creating an environmental asset through improved location and timing of Delta diversions and storage of water for environmental purposes;
4. Increases the protected land and managed habitat for terrestrial species in the Los Vaqueros Watershed and the surrounding region;
5. Improves and increases fishing, boating, hiking, and educational opportunities in the Los Vaqueros Watershed, consistent with the protection of water quality and the preservation of the watershed and the watershed's unique features;
6. CCWD continues as owner and manager of the Los Vaqueros Watershed;
7. CCWD maintains control over recreation in the Los Vaqueros Watershed;
8. CCWD continues as operator of the Los Vaqueros Reservoir system;
9. CCWD will be reimbursed for the value of the existing Los Vaqueros Project assets shared, replaced, rendered unusable or lost with the expansion project and said reimbursement will be used to purchase additional drought supply and water quality benefits or reduce debt on the existing Los Vaqueros Project;
10. Water rates for CCWD customers will not increase as a result of the expansion project.



BE IT FURTHER RESOLVED that the conditions expressed above regarding implementation of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir are hereby adopted by the Board of Directors as specific policies of the Contra Costa Water District, and the Board of Directors hereby commits to be bound by said policies in regard to the CALFED Bay-Delta Program proposal.

BE IT FURTHER RESOLVED, that the Board hereby finds and declares that the information contained in the CALFED Final PEIS/R, the Draft Project Concept Report and the Draft Planning Report, together with the information contained in the technical memoranda, all of the comments from the public, and all of the responses to the public comments are hereby made a part of the District's public records concerning consideration of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir for a total water storage capacity up to 500,000 acre-feet.

BE IT FURTHER RESOLVED that, under the CALFED ROD, and under the principles adopted by the Board of Directors on April 19, 2000, all subsequent environmental documents required for approvals and permitting will tier off the CALFED Final PEIS/R and will incorporate the full range of environmental impacts described in the Draft Planning Report, and that the full range of environmental impacts, and the specific mitigation measures for these impacts consistent with the programmatic measures of the CALFED ROD, will be disclosed in the environmental documents, and that sound science will be used as part of that process.

BE IT FURTHER RESOLVED that the Board hereby finds and determines that, due to the importance of Los Vaqueros Reservoir, water supply during droughts, water quality, Delta water issues, and environmental issues to the Contra Costa Water District, the District should allow its voters to have an opportunity at an election, to be held throughout the District, to advise the Board on whether they concur with the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir,

subject to the conditions and assurances specified as District policies by this Resolution.

BE IT FURTHER RESOLVED that the District shall retain the opportunity, which shall be solely within the discretion of the District's Board of Directors, to withdraw District participation in and support for the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir in the event that the conditions established by said District policies are not met.

BE IT FURTHER RESOLVED that the District's General Manager is hereby authorized and directed to take such steps as he shall determine to be necessary and appropriate to inform the CALFED Bay-Delta Program, and all persons and entities that have expressed an interest in the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir, of these determinations and conditions.

\* \* \* \* \*

The foregoing resolution was duly and regularly adopted at a meeting held on the 25<sup>th</sup> day of June 2003, by the Board of Directors of Contra Costa Water District by the following vote:

AYES: Pretti, Boatmun, Anello, Campbell, and Wandry

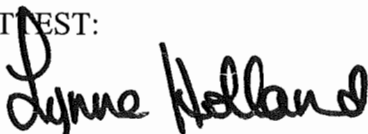
NOES: None

ABSENT: None



Joseph L. Campbell, President

ATTEST:



Lynne C. Holland, Acting District Secretary

# ATTACHMENT 2

## LOS VAQUEROS RESERVOIR JOINT EXERCISE OF POWERS AGREEMENT

**THIS JOINT POWERS AGREEMENT** (“Agreement”) is made and entered into as of the Effective Date defined below, by and between the parties listed on Exhibit A attached hereto, which is incorporated herein by this reference. Those parties are referred to in this Agreement individually as a “Member” and collectively as the “Members,” as further defined in Section 1.1.22, below.

### RECITALS

- A. Each Member is a public agency authorized and empowered to contract for the joint exercise of powers under Articles 1 through 4, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California; and
- B. Each Member has the power to plan for, design, construct, operate, maintain, repair, and replace water-related facilities, as contemplated in the Project, as defined in Section 1.1.26, below; and
- C. The Members desire to use any and every power common to them for the purpose of designing, and for their potential participation in, constructing, operating, repairing and maintaining the Project, or taking such other actions that will make the use of the Project more efficient or effective in providing the Members and their respective ratepayers a more reliable and affordable water supply, but nothing in this Agreement shall provide any power to Contra Costa Water District to unilaterally suspend the delivery of Project benefits to a Member; and
- D. Contra Costa Water District’s Board of Directors adopted Resolution No. 21-006 at a regularly scheduled meeting on April 7, 2021 that found and determined the Project, as contemplated by this Agreement, is consistent with the applicable principles of that district included in its Resolution 03-24, adopted on June 25, 2003; and
- E. The Members desire, by means of this Agreement, to establish a new public agency that is separate and apart from each of the Members, to provide for its governance and administration, and to create a structure for Members to assist in the design, construction, operation, and administration of the Project as the Members may elect, and for related purposes. This Agreement does not legally bind or otherwise commit the Authority or the Members to participate in or otherwise proceed with the Project. The Members will comply with the California Environmental Quality Act (“CEQA”), as applicable, prior to participating or otherwise proceeding with the Project. The Members further acknowledge the Project has been the subject of prior review in compliance with CEQA and that Contra Costa Water District, as lead agency, has completed and certified an environmental impact report concerning the Project; and
- F. Establishing and joining the Authority are administrative and organizational actions that will not result in a direct physical change in the environment or a reasonably foreseeable indirect change to the environment, and thus is not a project as defined by CEQA Guidelines section 15378(b)(5).

**NOW THEREFORE**, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Members agree as follows:

**ARTICLE 1  
GENERAL PROVISIONS**

**1.1 Definitions.** The words and terms defined in this Section 1.1 shall, for the purposes of this Agreement, have the meanings herein specified.

1.1.1 Act means Articles 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to public agencies, as amended or supplemented from time to time.

1.1.2 Administrative Agreement means the agreement between the Authority and the Administrator under which the Administrator will provide administrative services to the Authority and will be reimbursed for the costs of those services.

1.1.3 Administrator means the person or entity engaged by the Board of Directors to manage and administer the financial and administrative activities of the Authority in accordance with Section 4.5, below.

1.1.4 Agreement means this Joint Exercise of Powers Agreement.

1.1.5 Authority means the Los Vaqueros Reservoir Joint Powers Authority, which is created by this Agreement.

1.1.6 Board or Board of Directors means the Board of Directors referred to in Article 2 of this Agreement, which is the governing body of the Authority.

1.1.7 Bonds means bonds, notes, commercial paper, and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act, any indebtedness issued or incurred by the Authority pursuant to any act supplementary to the Act, including, but not limited to, refunding bonds authorized and issued pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

1.1.8 Capacity Usage Rights means the Authority's rights to Project water transmission and storage capacity, which the Authority may then assign to each Member under the terms of the Service Agreements.

1.1.9 CCWD means Contra Costa Water District, a county water district formed under Division 12 of the Water Code, and the owner of the Los Vaqueros Reservoir.

1.1.10 CCWD-Provided Facility means an existing facility owned and operated by CCWD with excess capacity that has been made available for use by the Authority in accordance with the Facilities Usage Agreement between CCWD and the Authority. CCWD-Provided Facilities are listed and identified in Exhibit B, as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below; provided that inclusion of a CCWD-Provided Facility on Exhibit B does not give the Authority any Capacity Usage Rights to use that facility, except as provided in the Facilities Usage Agreement between CCWD and the Authority.

1.1.11 Costs of Service mean the costs of Services included in the payments, or other non-monetary benefits, the Authority will receive from Members pursuant to the Service Agreements or any Related Activity Agreement. The Costs of Service, which shall be as fully described and specified in the respective Service Agreements or any Related Activity Agreement, include, but are not limited to, all Project capital costs and operating expenses, such as Project development costs; debt service, to the extent applicable under any agreed upon financing vehicle, including interest on

any Bonds; amounts payable to CCWD and EBMUD under the Facilities Usage Agreements; operations and maintenance costs of the Project or of any Related Activity; Authority administrative expenses; capital reserve payments; and payments to a renewal and replacement fund the Authority will establish.

1.1.12 Design & Construction Agreement means the design and construction agreements the Authority will enter into with CCWD for the New Facilities and Modified Facilities for which CCWD is designated as the builder on Exhibit B hereto; and with EBMUD for the New Facilities and Modified Facilities for which EBMUD is designated as the builder on Exhibit B hereto. Those agreements will address the design and construction services to be provided by the contracting party in accordance with industry standards, and the Authority's payment obligations for such design and construction services.

1.1.13 Director means a member of the Board appointed to the Board pursuant to Section 2.2 of this Agreement or a duly appointed alternate acting for the appointed Board member in his or her absence.

1.1.14 Early Funding Agreement means the agreement between the California Water Commission and CCWD, dated December 20, 2018 and as amended on July 24, 2020, and as it may subsequently be amended, to partially fund Project development activities. The Early Funding Agreement cannot be assigned to the Authority.

1.1.15 EBMUD means East Bay Municipal Utility District, a municipal utility district formed under Division 6 of the Public Utilities Code.

1.1.16 EBMUD-Provided Facility means an existing facility owned and operated by EBMUD, that may be made available for use by the Authority in accordance with, and to the extent provided by, the Facilities Usage Agreement between EBMUD and the Authority. EBMUD-Provided Facilities are listed and identified in Exhibit B as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below; provided that inclusion of an EBMUD-Provided Facility on Exhibit B does not give the Authority any Capacity Usage Rights to use that facility, except as provided in the Facilities Usage Agreement between EBMUD and the Authority.

1.1.17 Effective Date means the date the last Member signs this Agreement, as CCWD shall confirm in written notice to the Members.

1.1.18 Facilities Usage Agreement means the agreements entered into by the Authority and CCWD as to CCWD-Provided Facilities and, as may be applicable, any New Facilities and Modified Facilities for which CCWD is designated as the operator on Exhibit B hereto; and by the Authority and EBMUD as to EBMUD-Provided Facilities and, as may be applicable, any New Facilities and Modified Facilities for which EBMUD is designated as the operator on Exhibit B hereto. Each Facilities Usage Agreement shall provide the Authority with Capacity Usage Rights in some or all of those facilities in exchange for making payments to CCWD or EBMUD, as applicable. Each Facilities Usage Agreement shall specify the nature and extent of Capacity Usage Rights conveyed, the terms and conditions under which those rights may be exercised, and the payment to be made in return for obtaining or exercising Capacity Usage Rights. The Authority may assign its Capacity Usage Rights obtained through Facilities Usage Agreements to one or more Members through the Service Agreements.

1.1.19 Final Funding Agreement means the agreement entered into by the Authority and the California Water Commission under which the California Water Commission agrees to provide funding of approximately \$435 million (subject to adjustment) to partially finance design and

construction of the Project, and the Authority agrees to construct the Project and comply with related contractual obligations in providing public benefits.

1.1.20 Fiscal Year means the period commencing on July 1 of each year and ending on and including the following June 30.

1.1.21 Interim Funding Agreement means the agreement entered into among the Members and the Authority, following formation of the Authority, to provide an interim source of funding for Project development costs, including the initial expenses related to the formation of the Authority, prior to the time where permanent sources of Authority revenues are in place. The Interim Funding Agreement is separate from the Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning, as amended, among the agencies who will become Members, which has provided funding for Project-related functions prior to formation of the Authority, and from the Service Agreements, which are expected to provide funding to the Authority once it is in a position to provide Services to the Members. It is contemplated the above-referenced Cost Share Agreement, as amended, will provide funding before formation of the Authority, the Interim Funding Agreement will provide funding in the early stages after formation of the Authority and the Service Agreements will provide permanent, ongoing funding for the Authority.

1.1.22 Member means any of the members of the Authority, as listed on Exhibit A hereto, and any other entity added to this Agreement by a subsequent amendment to Exhibit A that executes this Agreement. As used herein, the term "Member" shall not include the Department of Water Resources, which pursuant to Water Code Section 79759(b), shall be an ex officio non-voting member of the Authority.

1.1.23 Modified Facilities means existing facilities owned by CCWD or EBMUD that will be modified as part of the Project, funded in whole or in part through the Authority's proportional share of the costs of development, design, construction, operations and maintenance which are expected to be financed or paid through the Service Agreements the Members enter into with the Authority, and through Design & Construction Agreements and O & M Agreements between the Authority and CCWD and EBMUD, as applicable, or through one or more Related Activity Agreements among those Members benefitting from specific Modified Facility(ies). The Modified Facilities are identified on Exhibit B hereto, as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below; provided that inclusion of a Modified Facility on Exhibit B does not give any Member other than CCWD or EBMUD, as the operator of that facility, any Capacity Usage Rights in that facility, except as provided in any Facilities Usage Agreement. A Modified Facility may also be referred to as a "specific component" of the Project for purposes of describing specific Modified Facilities to be included in particular financings the Authority will undertake.

1.1.24 New Facilities means facilities necessary for the Project that are expected to be financed by the Authority and designed, built, owned, operated and maintained by CCWD or EBMUD through Design & Construction Agreements and O & M Agreements between the Authority and CCWD and EBMUD, as applicable, or through one or more Related Activity Agreements among those Members benefitting from specific New Facility(ies). The Authority may also own New Facilities. New Facilities which are owned by the Authority may be operated by a Member or by the Authority, as the Board shall determine with the written agreement of the Member to be charged with operational responsibility. The Authority, including CCWD and EBMUD in their capacity as Members, is expected to be solely responsible for all costs and liabilities related to the New Facilities. The New Facilities are identified on Exhibit B hereto, as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below; provided that inclusion of a New Facility on Exhibit B does not give any Member other than CCWD or EBMUD, as the operator of that facility, any Capacity Usage Rights in that facility, except as provided in any Facilities Usage

Agreement. A New Facility may also be referred to as a “specific component” of the Project for purposes of describing specific New Facilities to be included in particular financings the Authority will undertake.

1.1.25 O & M Agreement means the operations and maintenance agreements the Authority will enter into with CCWD for the New Facilities and Modified Facilities for which CCWD is designated as the operator on Exhibit B hereto; and with EBMUD for the New Facilities and Modified Facilities for which EBMUD is designated as the operator on Exhibit B hereto. Those agreements will address operations and maintenance services to be provided by the contracting party in accordance with industry standards, and the payment for such services the Authority will be obligated to make.

1.1.26 Project means generally the second phase of the efforts to expand existing conveyance facilities, and construct new conveyance facilities, at the Los Vaqueros Reservoir owned and operated by CCWD. The Project will expand Los Vaqueros Reservoir to a capacity up to 275,000 acre-feet and will interconnect CCWD’s intake system to new and existing conveyance facilities that will serve the Members to create a regional system. The Project is expected to provide statewide public benefits, including ecosystem benefits to the Project Service Area, including south-of-Delta wildlife refuges, drought and non-drought emergency water supply benefits for the Members, and recreation benefits. The Project is also expected to provide benefits to regional water supply agencies that are Members located within the Project Service Area, integration with state and federal water systems, Central Valley Project operational flexibility, and enhanced opportunities for sustainable groundwater and recycled water management. The Project includes the components specified in Exhibit B hereto as to be more specifically described in subsequent agreements, including New Facilities, Modified Facilities, CCWD-Provided Facilities and EBMUD-Provided Facilities. The Project may include any Related Activity approved by the Board and facilities associated therewith.

1.1.27 Project Service Area means the San Francisco Bay Area (consisting of the counties of Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Solano and Sonoma) and the Central Valley Project service area (as it may be modified from time to time).

1.1.28 Recreational Facilities means those facilities owned, managed and controlled by CCWD that provide recreational opportunities in the Watershed for fishing, boating and hiking, and educational opportunities. The Recreational Facilities are included as a Modified Facility for purposes of this Agreement, which CCWD shall continue to own, manage and control. Funding issues with respect to Recreational Facilities shall be addressed in a Member’s Service Agreement.

1.1.29 Related Activity means an effort, not deemed to be of general benefit to all Members, but consistent with this Agreement’s purposes and the Authority’s objectives, which is undertaken through the Authority by a subset of Members which choose to voluntarily participate in the particular Related Activity, and with respect to which only such participating Members shall receive benefits or incur financial or other obligations.

1.1.30 Related Activity Agreement means the agreement entered into among the Authority and those Members participating in a Related Activity, which sets forth the Authority’s and participating Members’ rights and obligations with respect to that Related Activity.

1.1.31 Reservoir System means the Los Vaqueros Dam, Reservoir, the other CCWD-Provided Facilities listed on Exhibit B, related buildings and structures and any appurtenant facilities.

1.1.32 Reservoir System Operator means CCWD in its capacity as the owner and operator of the Reservoir System.

1.1.33 Services mean the services of the Project provided to the Members pursuant to the respective Service Agreements, consisting, in general, of water storage and conveyance through the various facilities to which the Authority has contracted to have access and use in accordance with each Member's share of Capacity Usage Rights held by the Authority pursuant to the Facilities Usage Agreements. Specific services to be provided to Members will depend on Members' requests, water delivery priorities specified in the Service Agreements, hydrological conditions and permit and regulatory conditions.

1.1.34 Service Agreement means an agreement entered into by a Member and the Authority pursuant to which the Authority provides Services to the Member and the Member is obligated to make payments, or provide other non-monetary benefits to the Authority with respect to the costs thereof, as consideration for those Services, all in accordance with the terms and conditions of any such Service Agreement. It is the intent of the Members that the Service Agreements shall allocate the Costs of Service among the Members in proportion to their anticipated use of Project facilities and other benefits a Member derives from the Project in accordance with the "beneficiary pays" principle. It is also the intent of the Members that the Service Agreements will also allocate costs in a manner to negate any cross-subsidy among Members (i.e., where any Member obtains an unreasonable financial benefit through financial contributions of another Member or other Members), taking into consideration any grant funding the Authority or any Member has received for Project-related costs.

1.1.35 Watershed means the Los Vaqueros Watershed, which is owned and managed by CCWD, consisting of approximately 20,000 acres of protected watershed land that surrounds the Los Vaqueros Reservoir. CCWD shall continue to own and manage the Watershed throughout the term of this Agreement.

1.2. Findings. The Members find and declare the following:

1.2.1. The Members represent a diverse group of public agencies engaged in water management, conservation, and/or delivery in the Project Service Area. This area's regional water systems are vulnerable to water shortages due to emergencies such as earthquakes, fire, or drought, and to dry year supply decreases due to insufficient regional storage.

1.2.2. The Project will improve Bay-Delta and Central Valley water supply reliability and water quality while providing additional habitat and Delta ecosystem benefits.

1.2.3. The Authority is created to enable public agencies responsible for water distribution to work collaboratively with a regional focus to improve water supply reliability through the development and operation of the Project.

1.3 Purposes and Objectives. The purposes of this Agreement are to: (1) create the Authority; (2) provide for the administration of the Authority; (3) provide the organizational framework to plan for, design, construct, operate, maintain, repair, and replace the Project for the benefit of the Members and the region; and (4) coordinate the performance of services related to the Project and approved by the Board. The primary objectives of the Authority are to:

1.3.1 Provide governance of the Project by the Members;

1.3.2 Ensure sufficient stable funding for the Project and related administrative and support activities to be provided through the Service Agreements and Administrative Agreement;



1.3.3 Ensure costs are reasonable and cost allocations are equitable and transparent, as provided through the Service Agreements;

1.3.4 Acquire and maintain sufficient Capacity Usage Rights in water storage and conveyance facilities as may be necessary to provide Services to the Members, consistent with the terms of all Project-related agreements; and

1.3.5 Ensure reliable delivery of water to the Members consistent with the terms of the Service Agreements and Facilities Usage Agreements, such that the Members are provided with the contemplated benefits from their respective investments in the Project.

1.4 Creation of Authority. Pursuant to the Act, there is hereby created a public agency known as the “Los Vaqueros Reservoir Joint Powers Authority.” The Authority shall be a public agency separate and apart from the Members.

1.5 Term. The term of this Agreement shall commence on the Effective Date and shall continue until terminated by the Members as provided in Article 8 of this Agreement.

1.6 Powers of Authority.

1.6.1 General Powers. The Authority shall exercise, in the manner herein provided, the powers common to the Members, powers otherwise permitted under the Act, and powers necessary to accomplish the purposes of this Agreement.

1.6.2 Specific Powers. The Authority is hereby authorized, in its own name, to do all acts necessary, convenient and appropriate for the exercise of the foregoing powers for the purposes set forth in this Agreement and to do any or all of the following:

- (a) To make and enter into contracts;
- (b) To employ agents and employees;
- (c) To lease, acquire, construct, manage, maintain or operate any building, works or improvements;
- (d) To acquire, hold or dispose of property or the right to use property or facilities;
- (e) To supervise and manage the Project so as to deliver state, federal, and Member benefits commensurate with state, federal, and Member investment in the Project consistent with contractual obligations;
- (f) To incur debts, liabilities, or obligations which do not constitute a debt, liability, or obligation of any Member;
- (g) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities, provided that the Authority consents to such gifts, contributions, and donations;
- (h) To prescribe the duties, compensation, and other terms and conditions of employment of other agents, officers, and employees;

- (i) To adopt reasonable rules and regulations for the conduct of the day-to-day operations of the Authority;
- (j) To apply for, accept, receive, and disburse grants and loans from local, state, or federal agencies or from individuals or businesses;
- (k) To sue and be sued in its own name;
- (l) To fund and maintain adequate reserve funds to support debt and operational requirements;
- (m) To invest money in its treasury, pursuant to Government Code Section 6505.5 et seq., that is not required for the immediate necessities of the Authority, as the Authority determines advisable, in the same manner and on the same conditions as local agencies, pursuant to Section 53601 of the Government Code;
- (n) To enter into state funding agreements and federal funding agreements relating to the Project, and assume rights and obligations pursuant to these agreements;
- (o) To finance Project development activities;
- (p) To enter into Design & Construction Agreements and O & M Agreements with CCWD and EBMUD, as applicable;
- (q) To enter into Facilities Usage Agreements with CCWD and EBMUD;
- (r) To enter into an Administrative Agreement with the Administrator;
- (s) To enter into agreements with individuals or entities providing program management, Water Supply Manager, legal, financial, accounting, auditing, and other services as required;
- (t) To enter into agreements with the California Department of Water Resources, the California Department of Fish and Wildlife, the United States Department of Interior, Bureau of Reclamation, and other local, state or federal entities as may be required to comply with the requirements of any state or federal funding agreements and to implement the Project, including the administration of public benefits;
- (u) To issue Bonds; provided, however, that the Authority shall not issue any Bonds until the Facilities Usage Agreement with CCWD, all Service Agreements, all O & M Agreements with CCWD and all Contracts for Administration of Public Benefits required by the California Water Commission have been executed by the Authority;
- (v) To deliver Services to the Members, and receive payment from the Members, pursuant to the Service Agreements;
- (w) To exercise any and all powers which are provided for in the Act and in Government Code Section 6584 et seq., including, without limitation

Government Code Section 6588, as they exist on the Effective Date of this Agreement or may hereafter be amended;

- (x) To take action by resolution, ordinance, or motion, as approved by the Board as specified herein;
- (y) To carry out and enforce all provisions of this Agreement with respect to the activities necessary to undertake the development, construction, and operation of the Project;
- (z) To conduct such other activities as are necessary and appropriate to the above; and
- (aa) To exercise any power necessary or incidental to the foregoing powers.

1.6.3 Limitation on Powers. Notwithstanding the general and specific powers listed in Sections 1.6.1 and 1.6.2, the Authority shall not have any power to modify CCWD's role in owning, managing and operating the Watershed and Los Vaqueros Reservoir System, and Recreational Facilities.

1.6.4 Continued Adherence to CCWD Board Principles. Contra Costa Water District's Board of Directors adopted Resolution No. 21-006 at a regularly scheduled meeting on April 7, 2021 that found and determined the Project, as contemplated by this Agreement, is consistent with the applicable principles of that district included in its Resolution 03-24, adopted on June 25, 2003. Adherence to the principles adopted in CCWD Resolution 03-24 is a continuing obligation of the Authority, the Project (and any modification thereto), and of any Related Activity(ies). Failure to maintain adherence and consistency with the CCWD Resolution 03-24 and the adopted principles may, in the sole discretion and determination of the CCWD Board of Directors, be an "adverse and material effect" as provided for in Section 3.3.4.4 of this Agreement.

1.7 Intent of the Agreement. Nothing in this Agreement shall be interpreted to limit or restrict a Member's operations of its water systems and facilities, including such operations that may involve areas outside of the Project Service Area. The Members acknowledge that entering into this Agreement does not constitute a commitment to fund or to carry out the Project, but such commitments to construct and implement the Project may be undertaken in the future through the execution of subsequent agreements, including, but not limited to, the Service Agreements. Consistent with the intent specified in Recital E, above, each Member shall have the discretion to determine the extent of its participation in the Project and, except as expressly provided in this Agreement, nothing in this Agreement shall be interpreted to require any level of Project participation of any Member, or to require the specific nature of any such Member's Project participation, such as participation in conveyance only, pooled storage or dedicated storage.

1.8 Manner of Exercising Authority Powers. In accordance with Government Code Section 6509, the Authority shall exercise its powers in the manner by which CCWD exercises its powers, except to the extent this Agreement or the Act specifically provide otherwise.

## **ARTICLE 2 BOARD OF DIRECTORS**

2.1 Creation. The Authority shall be governed by a Board of Directors, which is hereby established, consisting of one (1) Director for each Member, along with one (1) Director appointed by the Department of Water Resources, which is required by law to be a non-voting ex officio member of the Authority pursuant to Water Code Section 79759(b). The governing board shall be known as

the “Board of Directors of the Los Vaqueros Reservoir Joint Powers Authority.” All voting power shall reside in the Board and be exercised as specified in Section 3.3, below. By establishing the Authority and creating the Board, the Members do not intend to create any incompatibility between the service of a Member’s governing body member on the Member’s governing body, and his or her service as a Director of the Authority, and this Agreement shall be interpreted, if and where necessary, so that no such incompatible office exists.

## 2.2 Directors.

2.2.1 Directors Appointed; Term. Within thirty (30) days of the Effective Date of this Agreement, each Member shall designate and appoint, by a formal action of its governing body, either one (1) member of its governing body (provided that any Member which itself consists of one or more member agencies may appoint any member of one of its member agencies’ governing bodies), or a management-level employee of the Member, or of any member agency of a Member, to act as its representative on the Board; and one (1) other governing body member or Member employee, either by name or position title, to act as an alternate to that Director so appointed. If a Director’s or alternate’s membership on the appointing Member’s governing body ceases or that person ceases to be on the governing body of a Member’s member agency, if applicable, or if the Director or alternate is an employee of the Member, or of a Member’s member agency, and the Director’s or alternate’s employment by the Member ceases, his or her membership on the Board or position as an alternate, as applicable, shall also immediately cease. The alternate appointed by each Member shall have the authority to attend and participate in any meeting of the Board, but shall only be allowed to vote at any meeting of the Board when the regular Director is absent. At any meeting of the Board when the regular Director is absent, the alternate shall have the full authority of the Member to vote on any issue before the Board. Each Director shall hold office until his or her successor is selected by the appointing Member, except where immediate cessation of Board membership is expressly provided for by this section. Directors shall serve at the pleasure of the governing board of the appointing Member and may be removed at any time, with or without cause, in the sole discretion of the appointing Member’s governing board. If a Director ceases to serve on the Board, the Member that appointed that Director shall select that Director’s replacement, and may allow the alternate then serving to fill that Director’s position on a temporary or permanent basis, in that Member’s discretion; provided that any alternate who is a non-managerial employee of a Member may only serve in the Director’s position on a temporary basis, until that Member permanently fills that Director position in accordance with the requirements set forth above.

2.2.2 Board Compensation. The Board shall serve without compensation from the Authority. Compensation may be provided as approved by the Member that appoints its representative Director and alternate, and any such compensation will be the responsibility of that Member.

2.3 Powers and Responsibilities of the Board. All of the power and authority vested in the Authority shall be exercised by the Board, which may delegate such power in its discretion. Notwithstanding the above, the Board shall not delegate its legislative powers. In exercising these powers, the Board shall undertake the following roles and responsibilities:

2.3.1 Fulfill the Authority’s purposes;

2.3.2 Engage key Authority executives, including the Executive Director, as desired by the Board, and the Authority attorney;

2.3.3 Approve the engagement of a Program Manager, Water Supply Manager, and other consultants and advisors, including those related to issuance of any Bonds;

2.3.4 Approve annual or two-year budgets;

2.3.5 Approve agreements through which Project will be implemented;

2.3.6 Fund the Authority and Project through issuance of Bonds (subject to the provisions of subdivision (u) of Section 1.6.2, above) and collections from Members; and

2.3.7 Establish committees for activities such as design, construction, and operations.

2.4 Provision for Bylaws. The Board may cause to be developed and may adopt, from time to time, such bylaws for the Authority to govern its day-to-day operations. Each Member shall receive a copy of any bylaws developed and adopted under this section.

### ARTICLE 3 MEETINGS OF THE BOARD

3.1 Meetings. The Board shall meet at least monthly, and more frequently as the Board deems necessary to conduct the Authority's business. The Board shall provide for the date, hour, and place of its regular meetings by Resolution of the Board filed with the governing body of each Member. The Board may suspend the holding of regular meetings so long as there is no need for Authority business. The Board shall hold its first meeting within sixty (60) days after the Effective Date. The Board may meet by teleconference or by video conferencing, and in joint session with other public agencies and advisory bodies in accordance with California law.

3.2 Ralph M. Brown Act. All meetings of the Board, including without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act, commencing with Section 54950 of the Government Code.

3.3 Voting.

3.3.1 Simple Majority Votes. ~~Subject to the veto rights provided in Section 3.3.4, below, and the provisions of Section 3.4, below, each Director representing his or her appointing Member shall have one vote. Except as otherwise provided by law or as set forth in Sections 3.3.2 and 3.3.3, below, all actions of the Board, including, but not limited to, approval of Authority budgets under Article 7, below, and approval of the issuance or refunding of Bonds shall be approved on the affirmative vote of a majority of the total number of Directors of the Authority pursuant to Section 2.1. In the event of a tie vote among the Directors, the matter will not be considered to have passed. Subject to the veto rights provided in Section 3.3.4, below, and the provisions of Section 3.4, below, each Director representing his or her appointing Member shall have one vote. Except as otherwise provided by law or as set forth in Sections 3.3.2 and 3.3.3, below, all actions of the Board, including, but not limited to, approval of Authority budgets under Article 7, below, and approval of the issuance or refunding of Bonds shall be approved on the affirmative vote of a majority of the total number of Directors of the Authority pursuant to Section 2.1. In the event of a tie vote among the Directors, the matter will not be considered to have passed.~~

~~3.3.1.1 The approval of the admission of a new Member will be by simple majority vote, subject to Sections 3.3.1.1.1, 3.3.1.1.2 and 3.3.1.1.3, below.~~

~~3.3.1.1.1 If the admission of a new Member may have an adverse and material effect, as described in Section 3.3.1.1.3, on a current Member, the Director appointed by the affected Member may request that the Members meet and confer, and then the~~

~~Members shall meet and confer in good faith to attempt to address the claimed adverse and material effect. The Director appointed by the affected Member who declared that the admission of a new Member will have an adverse and material effect shall, as soon as practicable thereafter, provide relevant information to substantiate the adverse and material effect on the Member. In addition, the affected Member's governing body shall adopt a resolution setting forth specific findings of all adverse and material effects which are expected to result from the proposed admission of the new Member. The Board, in the Authority's Bylaws, shall adopt specific procedures for when and how that meet and confer process and subsequent decisions regarding the claimed adverse and material effect will be determined, including, but not limited to, process and decision timing, allocation of the burden to confirm any such adverse and material effect and the standard to be applied to any determination the Board will make regarding the claimed adverse and material effect. If the Board confirms an adverse and material effect cannot be eliminated or resolved through mutually agreeable revisions to the affected Member's Service Agreement, then the proposed new Member will not be admitted to the Authority.~~

~~3.3.1.1.2 — The Members to this Agreement recognize that the Authority was created, in part, to provide benefits to regional water supply agencies located within the Project Service Area, including to address water supply and emergency water needs in urban, exurban, agricultural and refuge service areas, and that certain state funding arrangements are based on the regional benefits of the Project to the Project Service Area. The Members also acknowledge that the current Members represent a diverse coalition of parties, which together are able to deliver regional impacts and benefits from the Project. Therefore, if a Member withdraws from the Authority pursuant this Agreement, and the withdrawal results in the loss of benefit to a particular service area, then any regional wholesale customer, supplier, or member agency of a current or former Member in the service area impacted by the withdrawing Member will have a priority to seek to join the Authority as a new Member over other agencies that are not directly connected to a current or former Member in the impacted service area and, if approved by a majority of the Members, will have a right of first refusal to join the Authority. Notwithstanding the foregoing, if a San Luis & Delta-Mendota Water Authority ("SLDMWA") member listed in Exhibit A seeks to join the Authority, the terms by which that SLDMWA member will become a member of the Authority shall be governed by Section 8.6.~~

~~3.3.1.1.3 — For purposes of this subdivision, an "adverse and material effect" means one or more of the following: (a) a decision that would unreasonably increase the affected Member's operational costs as compared to that Member's existing operational costs; (b) a decision that would decrease capacity of a Project facility used by the affected Member; (c) a decision that would materially restrict the affected Member in its ability to provide an adequate water supply within its service area, including, but not limited to, causing the affected Member to violate any operational permit or water rights permit or license; and/or (d) a decision that would result in a material adverse impact on the quality of water conveyed from the Project.~~

**3.3.2 Items Requiring at Least Three-Quarters Votes for Approval.** Notwithstanding Section 3.3.1, above, the following actions of the Board must be approved by at least three-quarters (seventy-five percent (75%)) of the total number of Directors, but subject to Section 3.4, below:

3.3.2.1 Approval of an amendment to the Agreement other than to Exhibits A or B; provided that amendments described in Section 3.3.3.6 must have unanimous Board approval; and provided further that if the proposed amendment relates to Section 7.12, then any such amendment's approval must include a vote of approval by the SFPUC;

3.3.2.2 Termination of a Member's membership pursuant to Section 9.2; and

3.3.2.3 Termination of the Agreement.

3.3.3 Items Requiring Unanimous Approval. Notwithstanding Sections 3.3.1 and 3.3.2, above, the following actions of the Board must be unanimously approved by the Board:

3.3.3.1 Commencement of litigation by the Authority relating to the funding or operation of the Project; or against any Member to interpret or enforce this Agreement or otherwise relating to the Member's obligations concerning the Project; provided that the Member against whom that litigation is contemplated shall not be included in that unanimous vote requirement;

3.3.3.2 Approval of any additional funding contributions under Section 7.7.2, below;

3.3.3.3 Any disproportionate disbursement to a Member or Members made upon termination of this Agreement, as described in Section 8.5, below;

3.3.3.4 Any decision by the Board to approve the creation of positions of employment for the Authority;

3.3.3.5 Approval of any contract with Cal-PERS or any other public retirement system;

3.3.3.6 Approval of an amendment to the Agreement which would change the requirement for unanimous approval of an action listed in Section 3.3.3, or which relates to the veto right provided by Section 3.3.4; ~~and~~

3.3.3.7 Approval of the incurrence of debt in connection with a Related Activity pursuant to Section 6.1; ~~and~~

3.3.3.8 ~~Approval of the admission of any new Member.-~~

~~3.3.3.7~~ 3.3.3.8.1 — The Members to this Agreement recognize that the Authority was created, in part, to provide benefits to regional water supply agencies located within the Project Service Area, including to address water supply and emergency water needs in urban, exurban, agricultural and refuge service areas, and that certain state funding arrangements are based on the regional benefits of the Project to the Project Service Area. The Members also acknowledge that the current Members represent a diverse coalition of parties, which together are able to deliver regional impacts and benefits from the Project. Therefore, if a Member withdraws from the Authority pursuant this Agreement, and the withdrawal results in the loss of benefit to a particular service area, then any regional wholesale customer, supplier, or member agency of a current or former Member in the service area impacted by the withdrawing Member will have a priority to seek to join the Authority as a new Member over other agencies that are not directly connected to a current or former Member in the impacted service area and, if approved by a majority of the Members, will have a right of first refusal to join the Authority. Notwithstanding the foregoing, if a San Luis & Delta-Mendota Water Authority ("SLDMWA") member listed in Exhibit A seeks to join the Authority, the terms by which that SLDMWA member will become a member of the Authority shall be governed by Section 8.6.

### 3.3.4. Veto Rights of CCWD and EBMUD.

3.3.4.1 Notwithstanding any other provision of this Agreement, for any proposed decision by the Board that either CCWD or EBMUD determines would have an adverse and material effect, as described in Section 3.3.4.4, upon a CCWD-Provided Facility or an EBMUD-Provided Facility, respectively, or upon one or more New Facilities or Modified Facilities owned and operated by CCWD or EBMUD, CCWD or EBMUD, as applicable in connection with the facility(ies) to be affected, acting through the Director it appointed, shall have the right to veto that decision in accordance with the provisions of this Section 3.3.4.

3.3.4.2 The Director appointed by the affected Member (i.e., either CCWD or EBMUD) shall exercise the veto by declaring an intention to veto a proposed decision during a Board meeting at the time the matter is discussed or considered for action. If such intent is declared, the Board may (i) proceed immediately with a vote on the matter, or (ii) by majority vote, delay the vote on that matter to a future meeting to allow the development of an alternative or modified recommended action.

3.3.4.3 If the Board elects to hold an immediate vote on the matter, the Director appointed by the affected Member may veto the proposed action, which veto shall be final and conclusive. In the event of such a veto, the Authority shall not proceed with the action specified in that proposed decision. If the Board elects to delay the vote on the matter to a future meeting, the Members shall meet and confer in good faith to attempt to develop a revised action which addresses the adverse and material effect. The Director appointed by the affected Member which declared its intent to exercise the veto shall, as soon as practicable after declaring its intent to veto, provide relevant information to substantiate the adverse and material effect on the affected Member which is expected to result from the Authority's proposed action. In addition, that Member's governing body shall adopt a resolution setting forth specific findings of all adverse and material effects which are expected to result from the Authority's proposed action. The meet and confer session shall occur at the next Board meeting, or as soon thereafter as Authority staff, the Administrator, the Executive Director (if one has been appointed), or the Members can obtain any further information, in addition to the information provided by the Director appointed by the affected Member which declared its intent to veto, or clarifying direction as needed to propose an alternative or modified recommended action. Any revised action proposed to the Board shall be subject to the veto rights described in this section. No proposed action shall be delayed pursuant to this section more than once, except with the consent of the Director affected by the affected Member which declared its intent to veto the action.

3.3.4.4 For purposes of this subdivision, an "adverse and material effect" includes the following: (a) a decision that would unreasonably increase the affected Member's operational costs as compared to that Member's existing operational costs; (b) a decision that would decrease capacity of the subject facility; (c) a decision that would materially restrict the affected Member in its operation of the subject facility or in its ability to provide an adequate water supply within its service area, including, but not limited to, causing the affected Member to violate any operational permit or water rights permit or license; ~~and/or~~ (d) a decision that would result in a material adverse impact on the quality of water conveyed from the Project; and/or (e) a decision that would, in the sole determination of the affected Member, be inconsistent with or fail to adhere to any principle or policy adopted prior to the formation of the Authority by that Member's governing board in connection with the facility(ies) to be affected.

3.4 Effect of Recusal. If any Director recuses himself or herself from voting on any matter before the Board where the Director, in the Director's sole discretion, determines it is inappropriate for that Director to participate in the vote on that matter, then that Director shall not be counted as a voting Director, such that the total number of voting Directors is reduced by one in calculating the



required quorum and in calculating the total number of votes that may be cast and utilized in determining any applicable threshold for the Board's approval of that matter.

3.5 Special Voting Rules Applicable to Grassland Water District. Due to the fact that Grassland Water District will not be making monetary contributions to the Authority, Grassland Water District shall only be entitled to vote on non-financial matters and those financial matters that concern the administration of public benefits or the delivery of ecosystem benefits to south-of-Delta refuges. In any situation where Grassland Water District is not permitted to vote, for purposes of the determination of the vote needed for approval, Grassland Water District shall not be counted as a voting Member, including for purposes of determining whether a quorum is present pursuant to Section 3.6, such that the total number of voting Members is reduced by one in calculating total number of votes that may be cast and utilized in determining any applicable threshold for the Board's approval of any such action.

3.6 Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, but subject to the voting approval requirements specified in Section 3.3.

3.7 Board Action. The Board may act by resolution, ordinance, or motion. Unless otherwise provided in the bylaws or by law, ordinances shall not be required to be introduced and adopted at separate meetings of the Board.

3.8 Closed Session. Closed sessions of the Board shall be confidential. However, confidential information from closed sessions may be disclosed to each Member's governing body as permitted and limited by Government Code Section 54956.96. The Board may include provisions in the Authority's Bylaws to implement this section. In addition, when any closed session is held pertaining to any matter in which a Member holds a position adverse to the Authority (including, but not limited to pending or potential litigation or ongoing real estate negotiations), the Director appointed by that adverse Member shall be recused from any such closed session. Prior to the Authority conducting any closed session involving liability claims or potential litigation where a Member may have a position adverse to the Authority, the Authority and Member shall comply with any meet and confer requirements set forth in this Agreement; provided, however, that the Authority may waive, by majority vote of the Board, any such meet and confer requirement in the event a statute of limitation would otherwise expire.

3.9 Minutes. The Secretary of the Authority shall cause minutes of regular, adjourned regular, and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to each Member.

3.10 Rules and Regulations. The Board may adopt from time to time such rules and regulations for the conduct of its and the Authority's affairs as may be required.

**ARTICLE 4**  
**OFFICERS AND EMPLOYEES OF THE AUTHORITY**

4.1 Chair. At the Board's first meeting, and then in its first meeting of each calendar year or as soon thereafter as practicable, it shall elect one of the Directors as Chair of the Board. The term of office for the Chair shall be one year, or until his or her successor is elected. A Chair may not serve more than four (4) consecutive terms as Chair, and the foregoing term limit shall also apply to the Member on whose behalf the Chair is serving, such that no Member shall be allowed to have any Director or combination of Directors serve on its behalf as Chair for more than four (4) consecutive terms. The Chair of the Board shall preside at all meetings and shall perform such other duties as are specified by the Board through order, resolution or motion. Subject to the foregoing, the position of Chair shall be elected on the basis of the individual Director and not on the basis of the underlying Member with which the Chair is affiliated.

4.2 Vice-Chair. At the Board's first meeting, and then in its first meeting of each year or as soon thereafter as practicable, it shall elect one of the Directors as Vice-Chair of the Board. The term of office for the Vice-Chair shall be one year. The Vice-Chair shall perform all the duties of the Chair in the absence of the Chair, or in the event the Chair of the Board is unable to perform such duties, and shall perform such other duties as are specified by the Board.

4.3 Secretary. The Board may appoint the Authority's Secretary or may delegate the appointment of the Authority's Secretary to the Administrator; provided that if the Administrator position has been removed, then the Board shall appoint the Authority's Secretary. If the Board does not elect to appoint an individual of its own choosing as the Secretary, the Secretary shall serve at the pleasure of the Administrator and may be removed at any time, with or without cause, in the sole discretion of the Administrator or, if the Administrator is an entity, the Administrator's governing board or a management-level employee of the Administrator. The Secretary shall be responsible for the minutes and other records of the proceedings of the Board and shall perform such other duties as specified by the Administrator pursuant to the Administrative Agreement, as applicable. If the Board elects to appoint another individual of its own choosing, the Secretary shall perform such other duties as the Board specifies.

4.4 Treasurer and Auditor/Controller. Pursuant to Government Code Sections 6505.5 and 6505.6, the Board may appoint the Authority's Treasurer and Auditor/Controller (in which case the Treasurer and/or Auditor/Controller shall serve at the Board's discretion) or may delegate the appointment of the Authority's Treasurer and Auditor/Controller to the Administrator; provided that if the Administrator position has been removed, then the Board shall appoint the Authority's Treasurer and Auditor/Controller. If the Administrator is an entity, it may appoint its senior financial officer (such as its chief financial officer, director of finance, or finance manager, as designated by the Administrator) as the Treasurer and Auditor/Controller. The Treasurer shall be the depository and have custody of all money of the Authority, from whatever source, and shall have all of the duties and obligations set forth in Sections 6505 and 6505.5 of the Government Code. However, in no event shall any person or entity that is not a public agency or an employee of a public agency be appointed as Treasurer or Auditor/Controller or have authority to have custody of Authority monies, and the Authority will establish a depository account with a financial institution on behalf of and in the name of the Authority for purposes of holding the Authority's money. The Treasurer shall also manage the Authority's billing and cash management, financial reporting and debt; engage the independent auditor to review the Authority's financial statements; and report to the Authority's Executive Director or to the Administrator if no Executive Director has been appointed. Subject to the limitations set forth in this Section 4.4, the offices of Treasurer and Auditor/Controller may be held by separate individuals, or combined and held by one individual as the Board may elect. If the Board does not elect to appoint another individual of its own choosing as the Treasurer and Auditor/Controller, the Treasurer and Auditor/Controller shall serve at the pleasure of the

Administrator and may be removed at any time, with or without cause, in the sole discretion of the Administrator or, if the Administrator is an entity, the Administrator's governing board or a management-level employee of the Administrator.

#### 4.5 Administrator.

4.5.1 Generally. The Board shall select the Administrator, which shall provide management and administrative services for the Authority, as more specifically described in Section 4.5.2, below. CCWD shall serve as the initial Administrator, and its rights and responsibilities in that role shall be set forth in the Administrative Agreement, or other agreement between CCWD and the Authority. The Board may, in its discretion, upon the termination or assignment of the Administrative Agreement, appoint a subsequent Administrator to replace CCWD, may transfer some or all of the Administrator's duties to the Executive Director appointed under Section 4.6, below, or may combine the Administrator's position with the Executive Director; subject, however, to ensuring that any contractual obligations CCWD has undertaken with respect to the administration of the Project, including under the Early Funding Agreement, are met. Until such time as an Executive Director is appointed, the Administrator shall oversee and manage any consultants and (if any) employees of the Authority, and the Administrator shall report to the Board. After an Executive Director is appointed, the Administrator shall report to the Executive Director and be subject to the Executive Director's supervision, subject to compliance with any existing contractual obligations of the Administrator.

4.5.2 Administrator Services. Subject to the Board's revision of duties of the Administrator, which may be transferred to the Executive Director in the Board's discretion, the Administrator shall perform all services reasonably necessary for the management and administration of the Authority including, but not limited to:

- (a) coordinating the planning, design, permitting (including compliance monitoring), operations modeling and analysis, and procurement activities necessary to construct and operate the Project, including through funds provided by the Early Funding Agreement, which CCWD shall continue to manage as the initial Administrator, and Interim Funding Agreement;
- (b) coordinating and preparing for Board meetings;
- (c) identifying and selecting key staff that will provide services to the Board and the Authority, including staff who may potentially serve as Secretary and Treasurer and Auditor/Controller, as the Board or Administrator may determine;
- (d) being responsible for the appointment, employment, management, and/or termination of any personnel (other than the Executive Director and Authority attorney), contractors, or consultants providing services to the Authority including, but not limited to, contractors and consultants necessary for the planning, design, permitting and procurement of the Project;
- (e) performing administrative tasks related to the Board's selection and appointment of the Executive Director and Authority attorney;
- (f) implementing the policies, decisions, and directions of the Board, as provided to the Administrator;

- (g) conducting communications and outreach support and website hosting;
- (h) coordinating and conferring with the Members' technical staffs relative to Project-related functions; and
- (i) such other duties as are determined by and assigned by the Board.

4.5.3 Compensation. The Administrator shall be compensated for the services it renders to the Authority as specified in the Administrative Agreement, or in any other contractual arrangement between the Administrator and the Authority.

4.5.4 Administrator Staff. If the Administrator is an entity, the Administrator shall identify key staff that shall provide services required of the Administrator, including one employee who shall serve as the main point of contact for the Authority. Such key staff identified by the Administrator shall be qualified to perform services required of the Administrator. Unless otherwise agreed in writing by the Authority, such key staff shall at all times remain under the exclusive direction and control of the Administrator and the Authority shall not have any right to discharge or discipline any member of the Administrator's staff. Subject to payment by the Authority as provided in the Administrative Agreement or other agreement, the Administrator shall be responsible for all compensation, supervision, and administrative costs relating to its staff. If the Administrator is an individual, the Administrator shall coordinate the retention of any outside staff with the Board and obtain approval of such staff positions from the Board before hiring or retaining any such staff.

4.5.5 Independent Contractor; Authority Employees. Until such time, if any, as the Administrator is hired as an Authority employee, as provided under this Agreement and to the extent allowed by law, the Administrator shall be retained as an independent contractor and not an employee of Authority. No employee or agent of the Administrator shall become an employee of the Authority, except as may be agreed in writing. Any Administrator employees or agents assigned to provide services under this Agreement shall remain under the exclusive control of the Administrator, subject to Section 4.6 if an Administrator's employee serves as Executive Director. The Authority may only create positions of employment with unanimous approval by the Board.

4.6 Executive Director. The Board may appoint an Executive Director to work with the Administrator in connection with the duties specified under Section 4.5.2, above. Upon the appointment of an Executive Director, the Board may transfer any of the Administrator's duties to the Executive Director, as may be feasible based on applicable contractual limitations set forth in the Early Funding Agreement. As determined by the Board, the Executive Director may be an independent contractor; an employee of the Administrator, of a Member or of a non-Member firm or entity; or, upon unanimous approval of the Board, an employee of the Authority. It is contemplated that the Executive Director would report directly to the Board and would manage Authority activities, oversee and manage the Authority's consultants and (if any) employees, ensure that the Board receives appropriate and timely information, supervise the Administrator, including coordinating Project activities with the Administrator, and ensure that the Authority provides services and fulfills its obligations to the Members in accordance with the respective Service Agreements and in accordance with all other Project-related agreements.

#### 4.7 Authority Attorney.

4.7.1 Appointment. The attorney for the Authority shall be appointed by the Board, provided that an individual, office, or firm providing general counsel services to one of the Members shall not serve as the Authority attorney. Such individuals, offices, or firms may, however, provide special counsel services to the Authority. Notwithstanding the above, the general counsel to one of

the Members may provide interim general counsel services until the Board appoints an Authority attorney.

4.7.2 Duties. The attorney for the Authority or a designated deputy shall attend all meetings of the Board; provided, however, that the absence of the Authority attorney shall not affect the validity of any meeting. The attorney shall take charge of all suits and other legal matters to which the Authority is a party or in which it is legally interested. The attorney shall provide legal counsel to the Authority and its Board, ensure the legal sufficiency of all contracts, ordinances, resolutions, and other legal instruments of the Authority, and perform such other duties as the Board specifies, including, but not limited to, obtaining specialized legal services.

4.8 Program Manager. The Board may engage one or more persons or entities to provide program management services as a Program Manager, who shall report to the Executive Director or Administrator if no Executive Director has been appointed. The Program Manager shall coordinate with the Administrator and/or Executive Director regarding various design and construction activities for the Project, including coordination with CCWD and EBMUD in accordance with the Design and Construction Agreement and O & M Agreements with respect to decisions likely to have a cost impact on the Authority and the Members. Such coordination shall include, but not be limited to, budget tracking, scheduling and quality control/quality assurance, with the understanding that CCWD and EBMUD have primary responsibility for the design and construction of their respective facilities, as will be specified in the Design & Construction Agreements. The Program Manager, in consultation with the Executive Director and subject to Board approval in accordance with Authority policies, may contract for additional services that may be required.

4.9 Water Supply Manager. The Board may engage one or more persons or entities to provide the services as a Water Supply Manager, who shall report to the Executive Director or Administrator if no Executive Director has been appointed. The Water Supply Manager shall oversee the operations of the Project in coordination with CCWD as to CCWD-Provided Facilities and any Modified Facilities or New Facilities that CCWD operates, and with EBMUD as to EBMUD-Provided Facilities and any Modified Facilities or New Facilities that EBMUD operates. The Water Supply Manager shall coordinate with all Members who are South Bay Aqueduct Contractors, as well as the SFUC, regarding operations that will foreseeably impact South Bay Aqueduct facilities. The Water Supply Manager's duties shall include scheduling necessary diversions and deliveries of stored water in response to Members' requests on behalf of the Members, coordinating Members' storage and conveyance needs with CCWD's system operator, tracking the delivery of Services to the Members, and ensuring compliance with all Project agreements, reporting requirements and coordinated operations agreements with the United States Department of Interior, Bureau of Reclamation and the California Department of Water Resources. The Water Supply Manager shall perform his or her duties in accordance with the terms of the Service Agreements and the Facilities Usage Agreements, as well as with operating protocols to be adopted by the Board. The operating protocols shall not unreasonably restrict: (1) CCWD's or EBMUD's ability to manage their respective facilities; or (2) the exercise of the Authority's Capacity Usage Rights expressed in any Facilities Usage Agreement, and as allocated to the Members in the respective Service Agreements. Any Water Supply Manager decision shall be subject to an appeal process to be established by the Board.

4.10 Official Bond. Pursuant to Government Code section 6505.1, the public officer, officers or persons who have charge of, handle or have access to any property of the Authority shall file an official bond in an amount to be fixed by the Board.

4.11 Additional Officers and Employees. The Board shall have the power to appoint additional officers as it deems necessary, and to make modifications to the Authority's organization chart. The Executive Director, upon consultation with the Board and with the Board's required approval, as applicable relative to the hiring of any Authority employees, shall have the power to hire

and terminate employees, assistants, contractors, consultants, and others, as the Executive Director deems appropriate, but subject to the terms of any applicable agreement and to the Authority's bylaws or policies.

## **ARTICLE 5 COMMITTEES**

5.1 Committees. The Board, by a majority vote, may form committees for any purpose. Any such Board action to create a committee shall include the purpose of the committee and details concerning the appointment of the chair and members of such committee.

## **ARTICLE 6 PROJECT OPERATIONS**

6.1 Related Activity. Upon approval by a majority of the Board, one or more of the Members may establish a Related Activity that such Member or Members will undertake through the Authority for matters not deemed to be of general benefit to all Members, provided that no Member shall be involved in any such Related Activity without the approval of its governing body. A specific written Related Activity Agreement between the Member or Members who consented to participate in the specific Related Activity and the Authority shall be established for each Related Activity to set forth the respective obligations, functions, and rights of the participating Members and of the Authority. A budget for each Related Activity shall be established in accordance with Section 7.3, below. The Directors representing the Member or Members who will be involved in financing and implementing the specific Related Activity, or their respective designees, shall constitute a "Related Activity Committee," for purposes of administration and implementation of the specific Related Activity. Notwithstanding the foregoing, no debt shall be incurred by the Authority for a specific Related Activity without the unanimous consent of the Board, and of the Related Activity Committee. Any contributions approved by the Related Activity Committee and approved by the participating Member or Members shall be paid by the participating Member or Members. Such contributions by a Related Activity's Members shall be held and accounted for separately from other Authority monies and any Related Activity expenses or liabilities shall be paid from such monies held on account of that Related Activity. To the extent allowed by law, the Member or Members participating in any Related Activity shall indemnify and hold harmless the Authority and the Members not participating in the Related Activity from any and all claims, demands, damages, liabilities, fines, expenses and related costs and fees, including attorneys' and experts' fees, arising from or related to the particular Related Activity, except to the extent of the Authority's or non-participating Member's negligent or intentional acts or omissions. A Related Activity shall not have a material adverse effect impact, as defined in Section 3.3.4.4, above, on any Member that is not participating in the Related Activity. The unanimous consent of the Board to incur debt for a Related Activity as required pursuant to this Section 6.1 shall be conclusive evidence that such Related Activity has been determined not to have a material adverse effect on any Member that is not participating in such Related Activity.

6.2 CCWD Facilities. In accordance with the voting provisions set forth in Section 3.3.4, above, CCWD will retain a veto right with respect to any decision by the Board that would have an adverse and material effect on either or both of the following: (i) a New Facility or Modified Facility for which CCWD is designated as the builder and operator on Exhibit B hereto, and/or (ii) a CCWD-Provided Facility. CCWD may authorize the Authority to take actions and/or make decisions with respect to those facilities in accordance with the applicable Facilities Usage Agreement, Design & Construction Agreements and O & M Agreements.

6.3 EBMUD Facilities. In accordance with the voting provisions set forth in Section 3.3.4, above, EBMUD will retain a veto right with respect to any decision by the Board that would have an adverse and material effect on either or both of the following: (i) a New Facility or Modified Facility

for which EBMUD is designated as the builder and operator on Exhibit B hereto, and/or (ii) an EBMUD-Provided Facility. EBMUD may authorize the Authority to take actions and/or make decisions with respect to those facilities in accordance with the applicable Facilities Usage Agreement, Design & Construction Agreements and O & M Agreements.

## **ARTICLE 7 FINANCES**

7.1 Fiscal Year. The Fiscal Year of the Authority shall be as defined in Section 1.1 of this Agreement.

7.2 Budget. The Board shall adopt a budget (the "Budget") prior to the start of each Fiscal Year. The Budget may be adopted on a single Fiscal Year or bi-annual basis, in the Board's discretion. The Budget shall include components to fund the Authority's administrative and operational costs, debt service on any Bonds and any capital improvements; provided the Authority shall provide the Members with the draft capital component of the Budget at least six (6) months prior to the start of the Fiscal Year(s) to which the proposed Budget relates. The Board may update and revise the Budget as necessary throughout the period to which the Budget applies. The Budget shall equitably allocate expenses under the Budget to a Member in proportion to that Member's proportionate use of Project facilities, operational priorities and other benefits, as determined in accordance with the Member's Service Agreement, or if a Member's Service Agreement is not in place, the Interim Funding Agreement or any other funding agreement specified by the Board in accordance with Section 7.7, below. The Budget shall take into account any non-monetary contributions being received from Grassland Water District. The Authority shall coordinate with CCWD regarding the establishment of the capital components of the Budget to ensure that costs are properly allocated as between the Authority and CCWD. The contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 7.5, below. Any Member which has opted under Section 7.6, below, to self-fund its share of a specific portion of Project capital costs through a lump sum contribution, rather than financing that contribution through participating in the Authority's Bonds, shall not be required to make further payments under the capital component of the Budget until that lump sum contribution is exhausted and further contribution from that Member is necessary to meet that Member's share of Authority capital costs that would be payable under the Budget. Any funds contributed by a Member that are not used in a Fiscal Year shall roll over to the subsequent Fiscal Year's Budget.

7.3 Specific Related Activity Budgets. In addition to the foregoing Budget, Authority staff, in consultation with the applicable Related Activity Committee, shall develop a budget for any Related Activity established in accordance with Section 6.1, above. The Related Activity Committee shall recommend such Related Activity budget for approval by the Board, which may then approve that Related Activity budget by majority vote in accordance with Section 3.3.1. Any contributions approved by the Related Activity Committee and approved by the participating Members shall be paid by the participating Member Agencies pursuant to Section 7.5, below.

Each Related Activity budget shall include, without limitation, the following:

- (a) Administrative expenses;
- (b) Studies and planning costs;
- (c) Engineering and construction costs;
- (d) The allocation of costs, including debt service costs, if any, among participating Members;
- (e) Annual maintenance and operating expenses for the Related Activity,

including any reserve requirements necessitated by the Related Activity; and

- (f) A formula for allocating annual maintenance and operating expenses, if any.

7.4 Failure to Obtain Budget Approvals. In the event the Board does not approve the Budget or any Related Activity budget prior to the start of a Fiscal Year, the Authority shall continue to operate at the level of expenditure as authorized below:

7.4.1. Operating Expenses. The operational cost components of the Budget shall be set at the expenditure level authorized by the last approved Budget, and the allocation of such Costs of Service to each Member shall be in proportion to the allocation of such costs in the last approved Budget. Any shortfall in revenues for such operational cost components will be made up from available reserves dedicated by the Board for such a purpose, and if those available reserves are insufficient to cover the shortfall, any other available reserve funds not designated by the Board for other purposes or otherwise not legally restricted may be used to meet that shortfall. Such reserves shall be drawn from among the Members in proportion to the allocation of Costs of Service in the last approved Budget. In the event that a shortfall in available funds exceeds available unrestricted reserves of the Authority, such resulting unfunded shortfall shall be carried forward into the subsequent Fiscal Year. Members shall have no obligation to cure such unfunded shortfall other than as may be provided in the applicable Service Agreement or, if applicable, Related Activity Agreement. As used herein, “reserves” shall mean any available unrestricted cash or investments.

7.4.2. Debt Service. The debt service component of the Budget shall automatically be established at the required level necessary to meet the Authority’s annual debt service requirements, including any revenue coverage covenants and the allocation of any applicable Costs of Service to each Member shall be in proportion to the allocation of such costs in the last approved Budget.

7.4.3. Capital Costs. The capital component of the Budget shall automatically be established at the required level necessary to implement capital projects previously approved by the Authority and the allocation of any applicable Costs of Service to each Member shall be in proportion to the allocation of such costs in the last approved Budget.

7.5 Payments of Amounts Due; True-Up of Costs. The payments owed for contributions from each Member to the Authority shall conform to amounts payable, or any non-monetary contributions to be provided to the Authority, under each Member’s Service Agreement and in accordance with the Budget approved by the Board pursuant to Section 7.2, above, and any Related Activity Budget under Section 7.3, above. Amounts to be paid to the Authority may be divided into a fixed, annual component and a variable component payable on a monthly or other periodic basis as authorized by the Board.

7.6 Member Self-Funding of Project Capital Costs. Notwithstanding any other provision of this Agreement, a Member may elect to self-fund its share of capital costs for specific Project components to be constructed, with the proportion and timing of that self-funding determined under the Member’s Service Agreement, in lieu of participating in the issuance of Bonds for that Project component. Any such self-funded payments, including remaining unexpended funds deposited in a previous Fiscal Year, shall be used to offset that Member’s share of Project capital costs applicable to that specific Project component that are included in the applicable component of the Budget, until such time as the self-funded amount has been exhausted. In the event the Authority, in its discretion, determines an additional funding contribution from a Member who has self-funded is needed, then the Authority may provide written notice to that Member of the need to deposit additional monies



with the Authority, in such amounts as the Authority, acting through its Administrator or Executive Director, shall determine in its reasonable discretion. The Member shall deposit that amount within six (6) months of receipt of notice from the Authority. The Authority shall refund or credit to a Member who has self-funded any remaining unexpended funds contributed by that Member within sixty (60) days of the completion of the specific component of the Project for which that Member has made self-funded payments, unless the Board finds and determines that the return or credit of such unexpended funds would adversely impact the Authority's financial condition.

7.7 Funds, Accounts and Reports. There shall be strict accountability of all funds and reporting of all receipts and disbursements, including through operation and maintenance and capital reserve accounts.

7.7.1 Sources of Funds. The sources of funds available to the Authority may include, but are not limited to, the following:

- (a) Grants, donations, and loans received by the Authority from local, state, or federal agencies, including any amounts received under the Early Funding Agreement. Such funds can be used for any Project facility.
- (b) Funds collected from Members under the Service Agreements and any Related Activity Agreements.
- (c) Funds collected from Members, including, but not limited to, funds paid pursuant to the Interim Funding Agreement.
- (d) Funds received from state and federal disaster relief agencies.
- (e) Funds obtained by issuing Bonds.
- (f) "In kind" contributions from Members, include refuge resources provided by Grassland Water District; provided that the Board shall establish a procedure to ensure that any "in kind" contributions comply with any applicable contractual or regulatory requirements and are fair and reasonable in relation to the benefits provided to the contributing Member, and further the Authority's interests.
- (g) Funds from any other source derived.

7.7.2 Interim Funding Plans. The Members intend for the Authority to fund initial Authority costs through the Interim Funding Agreement, and other agreements and revenue sources available to the Authority for such purposes. Notwithstanding the foregoing, in the event the Board unanimously determines that certain costs cannot be funded through such revenue sources and additional monies are required to be contributed by the Members, each Member agrees that it will contribute to a fund or budget approved by the Board in such proportion as the Board shall reasonably determine, as set forth in this article, taking into consideration any non-monetary contributions being received from Grassland Water District. Notwithstanding the foregoing, any financial obligation of the City and County of San Francisco, acting through the San Francisco Public Utilities Commission as a Member of the Authority, payable pursuant to this section is subject to Section 7.12.

7.7.3 Long-Term Funding Plans. The Members intend that all Authority activities will ultimately be funded through various Service Agreements, and Related Activity Agreements, if

any, under which the Members will pay or otherwise contribute for services provided by the Authority. The Members intend that the aforementioned agreements will, when taken together, be sufficient to fund all activities of the Authority, including, but not limited to, all administrative, capital and/or debt service expense, and operation and maintenance costs of the Authority, the Project and Related Activities.

7.7.4 Accounts. Revenues or funds received or made available to the Authority from any source whatsoever, shall be deposited into accounts that may be established by the Authority, and may be expended by the Authority in any legal manner, subject to such reservations as may be imposed by the Authority from time to time.

7.7.5 Reports. The Treasurer shall, within one hundred and eighty (180) days after the close of each Fiscal Year, give a complete written report of all financial activities for such Fiscal Year to the Board and to each Member. The Authority's books and records shall be open to inspection at all reasonable times by representatives of each Member. The Treasurer shall prepare and provide such additional reports, including audited financial statements and ongoing disclosure reports, as are required by separate agreements entered into by the Authority.

7.8 Payments and Advances. No expenditures in excess of those budgeted shall be made unless otherwise approved by the Authority's Board.

7.9 Audit. In accordance with Sections 6505 through 6505.6 of the Government Code, the Treasurer shall cause an annual audit of the accounts and records of the Authority to be made and reported. The audit shall be conducted by an independent certified public accountant or public accountant. The audit shall conform to generally accepted auditing standards. Such report shall be filed within twelve (12) months of the end of the Fiscal Year under examination.

7.10 Procurement Methods. The Board may adopt such policies relating to procurement of services, equipment, supplies, and other materials needed to accomplish the purposes of this Agreement.

7.11 Reserve Accounts. The Authority and each Member shall establish in that Member's Service Agreement, or in any Related Activity Agreement, and each Member shall pay into, reserve accounts established for administrative, operational, debt service and capital costs. The respective Service Agreements and, if applicable, Related Activity Agreements, shall specify how the reserve accounts will be replenished in the event such reserves are used. The Authority shall hold those reserves to provide readily available funds in the event a Member is not able to pay its share of the applicable type of costs as provided in that Member's Service Agreement and herein.

7.12 San Francisco Certification of Funds, Budget and Fiscal Provisions.

7.12.1 The financial obligations of the City and County of San Francisco (the "City," acting through the SFPUC as a Member of the Authority) under this Agreement, including all related agreements such as a Service Agreement to which it is a party or a Related Activity Agreement to which it is a party, are subject to and contingent upon the budget and fiscal provisions of the City and County of San Francisco's Charter. Except as provided in Section 7.12.2, below, for each budgetary cycle of the City, charges may accrue to the SFPUC for such budgetary cycle only after the prior written certification of the City's Controller, and the amount of the SFPUC's financial obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization, as required under Charter Sections 3.105 and 9.113. The SFPUC's financial obligations under this Agreement will terminate without penalty, liability or expense of any kind to the SFPUC at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year, subject to the one (1) year suspension process described in this Section 7.12.1. If funds

are appropriated for a portion of the fiscal year, the SFPUC's financial obligations under this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated, subject to the one (1) year suspension process described in this Section 7.12.1. The SFPUC has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. This section controls against any and all other provisions of this Agreement, except Section 7.12.2 and Section 8.4.2. In the event the City fails to appropriate adequate funds in any fiscal year to meet the City's financial obligations under this Agreement, or fails to timely obtain the certification described in Section 7.12.2 relating to funding commitments for the Project or a Related Activity, the Authority may, in the sole discretion of the Authority's Board of Directors, suspend any benefits the City would receive from this Agreement until such time as all financial obligations owed to the Authority under this Agreement are satisfied, provided that the Authority has first given the City a minimum of sixty (60) days' advance written notice of such suspension. If the City does not satisfy its financial obligations under this Agreement following receipt of the Authority's written notice for a period of one (1) year from the effective date of the suspension, the City shall be deemed to have withdrawn from the Authority, including the withdrawal of its representative Director from the Board. The Authority shall not impose interest on the City's financial obligations under this Agreement during this one (1) year period. If the SFPUC is deemed to have withdrawn from the Authority under this Section 7.12.1, the SFPUC's financial obligations under this Agreement shall not be governed by the provisions of Section 8.4.1, but Section 8.4.2 shall apply and the SFPUC shall be responsible for its share of the costs incurred by the Authority up until the end of the last fiscal year for which funds were appropriated, or the end of the term for which funds were last appropriated in the event that funds are appropriated for a portion of the fiscal year.

7.12.2 The financial obligations of the City under a Service Agreement to which it is a party or a Related Activity Agreement to which it is a party, may include an SFPUC commitment to (1) participate in Bonds issued to fund the Project's capital costs, (2) participate in Bonds issued to fund a Related Activity's capital costs or (3) indebtedness evidencing the SFPUC's obligation to fund the City's share of capital costs of the Project or the Related Activity, as applicable, specified in the related Service Agreement or Related Activity Agreement. Notwithstanding Section 7.12.1, above, any SFPUC funding commitment described in (1), (2), or (3) in the previous sentence shall be subject to the requirement in San Francisco Charter Section 9.111 that the City Controller certifies that sufficient unencumbered balances are expected to be available in the proper fund to meet all SFPUC payment obligations as they become due, as well as the terms and conditions contained in any debt instrument, which may include a pledge by the SFPUC of certain SFPUC rate revenues, which certification must be obtained prior to the time the Authority commits to issue Bonds for the Project or Bonds for a Related Activity, as applicable, and shall not be subject to the City Controller certification requirements of Charter Sections 3.105 and 9.113. Upon receipt of the certification by the City Controller pursuant to San Francisco Charter Section 9.111, SFPUC shall be obligated under any Bonds or other indebtedness described in Items (1), (2) or (3) of this section in accordance with terms of such Bonds or other indebtedness.

7.13 No Commitment to Bond Financing. The execution of this Agreement is not a commitment to participate in any Bonds or to incur debt which will occur, if at all, at a later date.

**ARTICLE 8**  
**TERMINATION / AMENDMENT; WITHDRAWAL**

8.1 Duration and Termination. Subject to the terms of any agreement between the Authority or CCWD and any state or federal agency, this Agreement shall continue in full force and effect until terminated by action taken by at least three-quarters (3/4ths) (seventy-five percent (75%)) of the Board and ratified by at least three-quarters (3/4ths) (seventy-five percent (75%)) of the governing bodies of the Members. If at any time there are only two (2) Members of the Authority and one (1) of those Members intends to withdraw, the other Member's written consent to terminate this Agreement shall not be unreasonably conditioned or delayed. Notwithstanding the prior provisions of this Section 8.1, this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority, and the Authority shall have a continuing obligation following termination of this Agreement with respect to the payment of debt service on any Bonds or other outstanding financial commitments of the Authority.

8.2 Amendment. This Agreement may be amended at any time by action taken by at least three-quarters (3/4ths) of the Board and ratified by at least three-quarters (3/4ths) (seventy-five percent (75%)) of the governing bodies of the Members; provided that if the proposed amendment is to change the requirement for unanimous approval of an action required under Section 3.3.3 or relates to the veto right provided by Section 3.3.4, then any such amendment must have unanimous Board approval; and provided further that if the proposed amendment relates to Section 7.12, then any such amendment's approval must include a vote of approval by the SFPUC; and provided further that Exhibit B to this Agreement may be amended by the Administrator or Executive Director, with majority vote of the Board approving such amendment to Exhibit B, to reflect changes to the Project's facilities approved by the Board. Exhibit A shall be updated by the Administrator or Executive Director as necessary to reflect any changes in the Members that occurs with the Board approval required herein for new Members or withdrawing Members. Notwithstanding the foregoing, the number and list of SLDMWA members listed on Exhibit A participating through the SLDMWA may be changed or a SLDMWA member that decides to no longer participate through the SLDMWA may be added to the list of Authority members without requiring amendment of the Agreement.

8.3 Withdrawal. A Member may only withdraw from the Authority as follows:

8.3.1 Failure to Execute Interim Funding Agreement. In the event a Member does not execute the Interim Funding Agreement or other agreement provided under Section 7.7.2 to provide interim funding to the Authority within eight (8) weeks after that Member receives the execution version of that agreement, or such later date as the Board shall establish, or does not agree in writing to make the financial contributions described in Section 7.7.2 within twelve (12) weeks of receiving a written demand from the Authority for it do so, that Member shall be deemed to have withdrawn from the Authority and shall have no further rights or obligations under this Agreement, except as provided in Section 8.4.

8.3.2 Failure to Execute Service Agreement. In the event a Member decides not to proceed with the completion of its Service Agreement and provides written notice to the Authority of that decision, or does not execute its Service Agreement within twelve (12) weeks after that Member receives the execution version of that agreement, or such later date as the Board shall establish, that Member shall be deemed to have withdrawn from the Authority and shall have no further rights or obligations under this Agreement, except as provided in Section 8.4.

8.3.3 Engineer's Estimate is Too Expensive. Subject to Section 8.3.8, in the event that a Member concludes the engineer's estimate for any work on a specific component of the Project is too expensive, then a Member may initiate a meet and confer process among the Members'

respective staffs to discuss those cost issues, which meeting shall take place within thirty (30) days after the Member gives notice of its desire for that meeting. If upon conclusion of that meet and confer process the Member that initiated that process is not satisfied with the estimate, then that Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.4 Withdrawal of Other Member. Subject to Section 8.3.8, in the event that another Member has withdrawn from the Authority under this Section 8.3 and the result of such withdrawals has made remaining in the Authority either cost prohibitive for a Member or adversely affects the operational feasibility of the Project for that Member, then that Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.5 Revocation or Unacceptable Conditioning of State or Federal Funding. In the event the State of California or the federal government withdraws any previously approved funding for a specific component of the Project or conditions such funding in a manner a Member deems unacceptable prior when the Authority executes the Final Funding Agreement, then any Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.6 Unacceptable Permit Conditions. Subject to Section 8.3.8, in the event any entity or jurisdiction whose approval must be obtained to design, construct, or operate a specific component of the Project conditions its approval in a manner a Member deems unacceptable, such Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.7 Water Supply Conditions for Withdrawal. Subject to Section 8.3.8, in the event a Member determines that it cannot timely obtain: (i) long-term water supply for the Project, including any necessary water rights, upon terms it finds reasonable and consistent with its needs and objectives; (ii) any rights or entitlements needed to acquire or convey such a water supply; or (iii) agreements with the California Department of Water Resources, the South Bay Aqueduct (SBA) Contractors or any other entity to allow for the conveyance of water supplies through the SBA or other conveyance facility for use by the Member or any of its wholesale customers, that Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.8 Approval once Final Funding Agreement is Executed. Notwithstanding the foregoing subsections in this Section 8.3, after the Authority executes the Final Funding Agreement, a Member may withdraw from the Authority only if (a) approved by at least seventy-five percent (75%) of the total number of Directors, who must find and determine in connection with such approval that there would be no adverse and material effect, as defined in this Section 8.3.8, or (b) if some or all of the other Members have agreed to assume the withdrawing Member's obligations under such Bonds to finance Project facilities described on Exhibit B, and/or have agreed to assume the withdrawing Member's outstanding payment of capital costs to which it has committed in its Service Agreement. For purposes of this Section 8.3.8, "adverse and material effect" means any effect that would result in a downgrade or suspension on the rating of the Bonds or cause delays or increased costs with respect to construction of the Project. Where the withdrawal of a Member pursuant to this Section 8.3.8 does not occur with the approval of the Board in accordance with subdivision (a), then notwithstanding the assumption of the withdrawing Member's obligations with respect to any Bonds or payment of capital costs, as applicable, if the Member or Members assuming those obligations fails or fail to make the assumed portion of any debt service payment or capital costs, as applicable, the withdrawing Member shall be obligated for any such shortfall in payment, for as long as such Bonds remain outstanding or until construction of the Project component has been completed, as applicable. Notwithstanding any withdrawal permitted under subdivision (b) of this Section 8.3.8, a Member, or its successor if applicable, shall remain obligated under this Agreement to make any payments with respect to any specific component of the Project to which that Member

previously committed, either as self-funded or under any Bonds. Such a withdrawing Member shall have no obligation under this Agreement for any financial commitments for any specific component of the Project in which the withdrawing Member did not commit to participate prior to its withdrawal. The Authority shall not issue Bonds for any specific component of the Project before all construction bids for that component have been received and any meet and confer process undertaken pursuant to Section 8.3.3 has concluded.

#### 8.4 Effect of Withdrawal.

8.4.1 A withdrawal from the Authority constitutes a withdrawal of that Member's representative Director from the Board and from any committee on which that Director is serving, including in the event a Member's obligations under any Bonds have been assumed by another Member as stated in Section 8.3.8, above, so that the assuming Member does not obtain a second Director position by reason of its assumption of those obligations. If at any time there are only two (2) Members, any desired withdrawal shall be subject to the termination provisions of this Agreement. Unless otherwise agreed upon by all of the remaining Members, the withdrawal of a Member shall not terminate its responsibility to contribute its share of any obligation incurred by the Authority on or before the date the withdrawing Member gives written notice of intent to withdraw, as determined by the Board based upon that Member's obligations under the Interim Funding Agreement, its respective Service Agreement (if the Member has executed that agreement), or otherwise under this Agreement, or to perform any other obligation arising from a separate agreement or other legally binding obligation, including amounts determined by the Board for (1) liabilities and claims accrued during the time prior to that Member giving written notice of intent to withdraw, or is deemed to have withdrawn (including any future obligations arising from retirement benefits for past and existing employees of the Authority, if any), or (2) budgeted expenses for the Budget period in which notice of intent to withdraw is given. A withdrawing Member therefore shall remain obligated to pay its portion of debt service on any outstanding obligations for which such Member was obligated to pay prior to withdrawal, or remain obligated to pay any portion of ongoing capital costs for a Project component in which the withdrawing Member was participating prior to such withdrawal.

8.4.2 Except as the withdrawing Member may agree in writing with the Authority, the withdrawing Member shall automatically relinquish all rights as a Member under this Agreement, on the effective date of the withdrawal and shall not accrue any financial obligations under this Agreement or any other Project-related agreement after the date that notice of intent to withdraw is given. The withdrawing Member's share of Project rights and benefits shall be distributed among the remaining Members in proportion to their allocations of such rights and benefits as of the effective date of the withdrawal, unless the Members otherwise agree to a different distribution; provided, however, that the distribution of the withdrawing Member's share of Project rights and benefits shall not occur until such time as the Board confirms the proportionate distribution of those rights and benefits or approves the plan for such distribution.

8.4.3 For any Member that has self-funded any financial obligation to the Authority for a specific component of the Project and subsequently withdrawn from the Authority, the Board shall determine an equitable allocation of such monies previously paid to the Authority and return to that withdrawing Member any uncommitted funds, provided that any such refund may be structured to ensure it does not materially adversely impact the Authority's financial condition. The Board's determination of that equitable allocation shall take into consideration the amount of Project costs that have been paid through payment of principal under any Bonds issued in the period since the withdrawing Member self-funded its financial obligation.

8.5 Disbursement Upon Termination; Post-Termination Liabilities. Upon termination of this Agreement and after payment of all liabilities, costs, expenses, and charges validly incurred under this Agreement, the Board may, in its discretion and by a unanimous vote of the then-current

Directors, distribute all remaining assets of the Authority based on an apportionment the Board deems equitable. In the event the Board cannot reach a unanimous vote on that distribution, then the Members shall proceed in accordance with Section 11.2 to attempt to resolve any disputed issue in connection with the distribution of assets. Any further liabilities of the Authority that may accrue after termination of this Agreement shall be allocated among the former Members in the same proportion as the Authority's expenses are allocated under the Budget at the time of the termination; provided that the Board shall take into consideration any non-monetary contributions Grassland Water District may provide with respect to its share of such liabilities.

8.6 SLDMWA Member Participation. In addition to adjustments to the SLDMWA members listed in Exhibit A as authorized under Section 8.2, this section authorizes: (1) SLDMWA to assign to a SLDMWA member listed on Exhibit A all of SLDMWA's rights and obligations previously held by SLDMWA as a Member of the Authority (referred to herein as a "substitution"), and (2) for a SLDMWA member listed on Exhibit A to terminate its participation through SLDMWA and for that SLDMWA member to become a member of the Authority (referred to herein as a "change"). A substitution or change may necessitate revisions to SLDMWA's Service Agreement, and any SLDMWA member involved in a change will need to enter into or be assigned rights and obligations under a Service Agreement. Under no circumstance will the rights and obligations of SLDMWA and the SLDMWA members participating separately in the Authority that exist after the substitution or change exceed the rights and obligations of SLDMWA that existed prior to the substitution or change. To the extent the terms of this section conflicts with the terms of any other section of the Agreement or any other agreement referenced herein, the terms of this section shall control.

8.6.1 Substitution. If SLDMWA and a SLDMWA member notify the Authority of their intent for the SLDMWA member to substitute for SLDMWA as a Member of the Authority, such substitution will take effect immediately upon notice, with the SLDMWA member assuming all rights and obligations previously held by SLDMWA as a Member of the Authority.

8.6.2 Change. If one or more SLDMWA member(s) notifies the Authority of the intent to participate in the Authority separate from SLDMWA, but two or more SLDMWA members will maintain their participation in the Authority through SLDMWA, then such change will take effect immediately upon notice. To be effective, the notice will inform the Authority of how the rights and obligations of SLDMWA that existed prior to the change will be exercised by SLDMWA and the SLDMWA members after the change. In the event a change occurs, then SLDMWA and the applicable SLDMWA member agency(ies) must determine how they will address any resulting governance issue, but the change shall not result in any increase in the voting power of SLDMWA and any SLDMWA member agency participating in the Authority as a result of that change, and SLDMWA and any such member agency(ies) shall not obtain more than a total of one (1) vote by reason of that change on matters coming before the Board, unless such SLDMWA member agency proceeds under the new member provisions of Section 10.3.

## **ARTICLE 9 BREACH AND MEMBERSHIP TERMINATION**

9.1 Compliance with Agreement. Each Member shall comply with the terms of this Agreement and fulfill its obligations hereunder, as well as under its Service Agreement, including all financial obligations it undertakes in connection with the Project.

9.2 One-Year Suspension Period – Monetary Breaches. If any Member fails to meet that Member's financial obligations under this Agreement, the Authority may, in the sole discretion of the Authority's Board of Directors, suspend any benefits that Member would receive from this Agreement until such time as all of that Member's financial obligations owed to the Authority under this Agreement are satisfied, provided that the Authority has first given that Member a minimum of

sixty (60) days' advance written notice of such suspension. If that Member does not satisfy its financial obligations under this Agreement following receipt of the Authority's written notice for a period of one (1) year from the effective date of the suspension, that Member shall be deemed to have withdrawn from the Authority and the provisions of Section 8.4 shall apply. The Authority shall not impose interest on that Member's financial obligations under this Agreement during this one (1) year period. Notwithstanding the foregoing, if the Member's breach relates to a failure to pay administrative and/or operational expenses, that Member shall not be subject to termination until such time as that Member's funds held by the Authority as administrative and/or operational reserves are exhausted. For the purposes of this Section 9.2, any failure by SFPUC to appropriate adequate funds in any Fiscal Year to meet its obligation under its Service Agreement or other financial obligations under this Agreement is not a breach of this Agreement and Section 7.12 shall apply.

9.3 Breach of Agreement – Non-Monetary Breaches. In the event the Board determines a Member has breached any non-monetary obligation under this Agreement by failing to perform any obligation hereunder, other than the payment of monies to the Authority, the Authority shall give that Member written notice of that breach and an opportunity for sixty (60) days to cure that breach, or such longer period of time as the Board determines is reasonable, in its sole and absolute discretion, to cure the breach. If that Member fails to cure that breach within that sixty (60) day or longer period, then that Member may have its rights under this Agreement terminated and may be excluded from further participation in the Authority by the vote of at least three-quarters (seventy-five percent (75%)) of the total number of Directors. Any such termination shall be deemed a withdrawal from the Authority for the purposes of Section 8.4, and such defaulting Member shall continue to be liable for its obligations to the extent and as provided in Section 8.4, including, but not limited to, such defaulting Member's obligation to pay its share of any debt service on any outstanding Bonds, or its share of any capital costs relating to a specific Project component.

9.4 Enforcement. Subject to the one-year suspension period under Section 9.2 with respect to any Member's failure to meet its financial obligations, if a Member defaults in any undertaking contained in this Agreement, that default shall not excuse such Member or any other Member from fulfilling its obligations under this Agreement and each Member shall continue to be liable for the performance of all conditions herein contained. Each Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby and for each Member and hereby grants to the Authority the right to enforce by whatever means, legal and equitable, the Authority deems appropriate in consideration of all obligations of each of the Members hereunder. The foregoing provisions in this Section 9.4 do not pertain to any failure by SFPUC to appropriate adequate funds in any Fiscal Year to meet its obligation under its Service Agreement or other financial obligations under this Agreement. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

## **ARTICLE 10 SPECIAL PROVISIONS**

10.1 Insurance. The Authority shall maintain types and levels of insurance coverage for the Authority as the Board determines to be reasonably adequate.

10.2 Liability of Authority and Members.

10.2.1 To the full extent authorized by Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority, with the exception of retirement liabilities of the Authority if the Authority contracts with a public retirement system, shall be the debts, liabilities, and obligations solely of the Authority and not the debts, liabilities, and obligations of any of the Members or any of their respective members, officers, directors, employees, or agents. The Authority, its Directors,



officers, employees, staff, and agents shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement.

10.2.2 No Member, its officers, directors, or employees shall be responsible for any action taken or omitted by any other Member, or its members, officers, directors, or employees. To the extent allowed by law, the Members repudiate the provision for joint and several tort liability provided under Government Code Section 895.2, and agree, pursuant to Government Code Section 895.4, that each Member shall fully indemnify and hold harmless each other Member and its agents, officers, employees, and contractors from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any negligent or wrongful act or omission of such Member in the performance of this Agreement, and the Members intend that each Member provide indemnity or contribution in proportion to that Member's responsibility for any such claim, damage, loss, judgment, liability, expense or other cost, as determined under principles of comparative negligence.

10.3 New Members. It is recognized that public agencies other than the original Members to this Agreement may wish to participate in the Authority. As determined by the Board of Directors, in its sole discretion, any such public agency must have the common powers specified in Recitals A and B, above, must be located within the Project Service Area, must be credit worthy, and must provide benefits to the Project and other Members. Any proposed new Member must meet all established principles or requirements adopted by any Member with respect to potential participation in the Project that are in effect at the time the proposed new Member applies to become a Member. Additional public agencies may become Members upon such terms and conditions as approved by ~~at least a simple majority~~ 75% a unanimous vote of the Board, including establishment of an appropriate cost allocation for that new Member and payment by the new Member of an acceptable financial contribution to offset prior expenses incurred by the existing Members in developing and operating the Project. Any new Member must be approved by ~~each at least a simple majority~~ 75% of the governing boards of the existing Members of the Authority, evidenced by the execution of a written amendment to this Agreement signed by the new Member. Notwithstanding the foregoing, a change in the SLDMWA's participation structure shall be governed by Section 8.6, unless a SLDMWA member elects to pursue membership pursuant to this Section 10.3.

10.4 Retirement System. The Authority shall not enter into a contract with the California Public Employees' Retirement System or any other public retirement system without the unanimous approval of the Board and ratification by all of the governing bodies of the Members. The Members acknowledge that if the Authority enters into any such contract, as referenced in Section 10.2, above, the Members may have responsibility under Government Code Section 6508.2 for the Authority's retirement liabilities in the event this Agreement is terminated or the Authority terminates that contract. In such a situation, the Members shall attempt to reach mutual agreement on the allocation of those liabilities among the Members and understand that if they are unable to reach such a mutual agreement, those liabilities shall be allocated among the Members in the same proportion as the Authority's expenses are allocated under the Budget at the time of the termination of this Agreement or of the retirement system contract.

10.5 Indemnity by the Authority. The Authority shall indemnify, defend and hold harmless the Board, each Member, and their members, officers, directors, employees, and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission related to this Agreement, except such loss or damage which was caused by the negligence or willful misconduct of any Member, or their members, officers, directors, employees, and agents. The Authority's duty to indemnify each Member pursuant to this Agreement shall survive that Member's withdrawal from the Agency.

10.6 Conflict of Interest Code. The Authority shall, by resolution, adopt a conflict of interest code as required by law.

10.7 No Policy Advocacy. ~~The Authority shall not engage in policy advocacy with non-Members and shall not undertake legislative, lobbying, or governmental affairs activities. Such functions may be performed only by individual Members in their sole discretion on behalf of their individual agencies. The Authority shall only engage in policy advocacy or legislative, lobbying, or governmental affairs activities directly related to the Project, including third party funding and financial issues. Such functions may also be performed by individual Members in their sole discretion.~~

## **ARTICLE 11 MISCELLANEOUS PROVISIONS**

11.1 Severability. If any section, clause or phrase of this Agreement or the application thereof to any Member or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to any other Member or to other persons or circumstances shall not be affected thereby. In the event a provision is held to be invalid, the Members shall work in good faith to restore the intent of any provision that held to be invalid. Each Member hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.

11.2 Dispute Resolution. If a dispute arises as to the construction, interpretation or implementation of any portion of this Agreement or any matters that arise in connection with this Agreement, the Members in dispute (including the Authority if the dispute is between one or more Members and the Authority, in which case the Board shall determine who will represent the Authority in the meet and confer and mediation processes) shall meet and confer in person in an attempt to resolve that dispute within thirty (30) days of a Member or the Authority giving the other Members or the Authority notice of the dispute. If the Members or the Authority cannot resolve the dispute through that meet and confer process, the Members or the Authority in dispute shall proceed to non-binding mediation of the dispute in front of an independent, neutral mediator agreed to by those Members or the Authority, unless they both agree to waive that mediation. If the Members or the Authority in dispute cannot agree upon a mediator, the mediation service selected shall choose the mediator. The Members or the Authority in dispute shall equally divide and pay the mediation costs.

11.3 Notices. Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally, by registered or certified mail, postage prepaid, by nationally-recognized overnight courier, or by e-mail to the respective Members, at the addresses provided in Exhibit C attached hereto. With respect to delivery by e-mail, any such e-mail message shall be sent using a system that provides reasonable assurance: (i) that the message was sent; (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient, along with a verifiable electronic record of the exact content of the message sent. The Members may from time to time change the address to which notice may be provided by providing notice of the change to the other Members.

11.4 Consent. Whenever in this Agreement or in any amendment thereto consent or approval is required, the same shall not be arbitrarily or capriciously withheld or delayed.

11.5 Other Agreements Not Prohibited. Other agreements by and between the Members or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.

11.6 Section Headings. The section headings herein are for convenience of the Members only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.

11.7 Governing Law; Venue. Any judicial action or proceeding that relates to the Agreement, the Authority or the Project between or among any or all of the Members and/or the Authority shall be initially brought in Contra Costa County Superior Court and will be transferred to a neutral venue. The litigants shall attempt to stipulate to a mutually agreeable neutral venue, and if unable to agree will resolve any venue dispute through a motion to transfer brought pursuant to California Code of Civil Procedure section 394. The parties to any litigation will support transfer to a neutral venue and will not object to transfer to a neutral venue.

11.8 Construction of Language. It is the intention of the Members that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. Additionally, any dispute concerning determination of an “adverse and material effect” pursuant to Section 3.3.4 shall be determined under an arbitrary and capricious standard in connection with the affected Member’s exercise of its veto right.

11.9 Cooperation. The Members recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement.

11.10 Successors. Subject to Section 11.11, this Agreement shall be binding upon and shall inure to the benefit of the successors of the Members.

11.11 Assignment. Except as provided for SLDMWA and the SLDMWA members, a Member may not assign its membership in the Authority without the consent of all of the other Members. Any assignment of a membership in the Authority made under this Section 11.11 upon the consent of all of the other Members will not result in the novation of the assignor Member’s obligations with respect to this Agreement, the Member’s Service Agreement or any other agreement which may obligate the assignor Member, unless such novation is agreed to in writing by such consenting Members, the assignee and the assignor Member. Notwithstanding the foregoing, a Member may assign its rights to utilize the Project in accordance with the provisions of its Service Agreement and any applicable Facilities Usage Agreement; but in such a case, the assignor Member that holds those rights will remain obligated for the payment of debt service, capital costs or operating expenses to the extent such costs are not paid by the assignee. In addition, any such assignment of rights to use of the Project must be consistent with the Project’s permits and approvals and be limited to use within the Project Service Area.

11.12 Enforcement. The Authority is hereby authorized to take any and all legal or equitable actions, including but not limited to an injunction and specific performance, necessary or permitted by law to enforce this Agreement.

11.13 Integration. This Agreement constitutes the full and complete Agreement of the Members regarding the creation and administration of the Authority.

11.14 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

SIGNATURES ON FOLLOWING PAGES

**IN WITNESS WHEREOF**, the Members have caused this Joint Exercise of Powers Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below.

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Ed Stevenson, General Manager  
Alameda County Water District

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Date

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Approved as to Form:  
Patrick Miyaki, General Counsel

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Date

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Stephen J. Welch, General Manager  
Contra Costa Water District

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Date

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Approved as to Form:  
Douglas E. Coty, General Counsel

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Date

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Clifford C. Chan, General Manager  
East Bay Municipal Utility District

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Date

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Approved as to Form:  
Jonathan D. Salmon, Assistant General Counsel

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Date

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Ricardo Ortega, General Manager  
Grassland Water District

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Date

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Approved as to Form:  
Ellen L. Wehr, General Counsel

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Date

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Michael Carlin, Acting General Manager  
San Francisco Public Utilities Commission

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Date

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Approved as to Form:  
Dennis J. Herrera, City Attorney

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Date

By

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Joshua Milstein  
Deputy City Attorney

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Date

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Federico Barajas, Executive Director  
San Luis & Delta-Mendota Water Authority

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Date

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Approved as to Form:  
Rebecca Akroyd, General Counsel

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Date

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Rick L. Callender, Esq. Chief Executive Officer  
Santa Clara Valley Water District

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Date

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Approved as to Form:  
Carlos Orellana, District Counsel

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Date

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Valerie Pryor, General Manager  
Zone 7 Water Agency

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Date

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Approved as to Form:  
Rebecca Smith, General Counsel

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Date

**EXHIBIT A**  
**AUTHORITY MEMBERS**

- Alameda County Flood Control & Water Conservation District, Zone 7
  - Alameda County Water District
  - Contra Costa Water District (to include City of Brentwood\*)
  - East Bay Municipal Utility District
  - Grassland Water District
  - Santa Clara Valley Water District
  - San Francisco Public Utilities Commission (to include Bay Area Water Supply & Conservation Agency\*)
  - San Luis & Delta-Mendota Water Authority, consisting of:
    - Byron-Bethany Irrigation District
    - Del Puerto Water District
    - Panoche Water District
    - Westlands Water District
- [NOTE: The number and list of SLDMWA-member agencies participating through SLDMWA may change without requiring amendment of this Exhibit A or the Agreement]
- Department of Water Resources (ex officio, non-voting pursuant to Water Code Section 79759(b))

\*The City of Brentwood and the Bay Area Water Supply & Conservation Agency are not signatory parties to the JPA, and are not bound by, and do not independently benefit from, its terms and conditions. Rather, these parties contract for project benefits through their wholesale providers.

**EXHIBIT B**

**LIST OF FACILITIES\***

<b>No.</b>	<b>Description</b>	<b>Type</b>	<b>Builder</b>	<b>Operator</b>
1	Los Vaqueros Dam Raise	New Facility	CCWD	CCWD
2	Neroly High-Lift Pump Station	New Facility	CCWD	CCWD
3	Transfer Facility Expansion	New Facility	CCWD	CCWD
4	Transfer-Bethany Pipeline	New Facility	CCWD	CCWD
5	Los Vaqueros Recreation Facilities	Modified Facility	CCWD	CCWD
6	Rock Slough PP#1 Replacement	Modified Facility	CCWD	CCWD
7	Transfer Facilities Improvements	Modified Facility	CCWD	CCWD
8	Mokelumne Aqueduct Lining	Modified Facility	EBMUD	EBMUD
9	Walnut Creek VFDs	New Facility	EBMUD	EBMUD
10	Mokelumne Aqueduct	EBMUD-Provided Facility	EBMUD is responsible for construction, operation, and maintenance and is compensated through the EBMUD Facilities Usage Agreement	
11	Freeport Intake	EBMUD-Provided Facility		
12	Walnut Creek Pumping Plant	EBMUD-Provided Facility		
13	EBMUD-CCWD Intertie	CCWD-Provided Facility	CCWD is responsible for construction, operation, and maintenance and is compensated through the CCWD Facilities Usage Agreement	
14	Los Vaqueros Dam	CCWD-Provided Facility		
15	Los Vaqueros Pipeline	CCWD-Provided Facility		
16	Middle River Intake	CCWD-Provided Facility		
17	Middle River Pipeline	CCWD-Provided Facility		
18	Old River Intake	CCWD-Provided Facility		
19	Old River Pipeline	CCWD-Provided Facility		
20	Rock Slough Facilities	CCWD-Provided Facility		
21	Transfer Pipeline	CCWD-Provided Facility		

\*This Exhibit B lists those facilities that have been included in various Project application and agreement documents. Some facilities listed on Exhibit B will provide differing levels of benefits (or no benefits) to certain Members. The Service Agreements and Facilities Usage Agreements will address those specific levels of benefits and related cost allocations. Facilities listed in this Exhibit B are subject to modification as to the nature and type of the facility, and additional facilities may be added to Exhibit B prior to JPA formation as



circumstances may warrant, including obtaining of additional state or federal grant funding. No rights to the use of any facility are provided by reason of the listing of that facility on Exhibit B. Such rights of use are only provided through the Facilities Usage Agreements and Service Agreements to be entered into.

**EXHIBIT C**

**MEMBER ADDRESSES**

<b>Member</b>	<b>Addresses</b>
Alameda County Water District	43885 S. Grimmer Blvd., Fremont, California 94538
Contra Costa Water District	1331 Concord Avenue, Concord, California 94520 P.O. Box H20 Concord, California 94524
East Bay Municipal Utility District	375 Eleventh Street, M.S. 407, Oakland, California 94607
San Luis & Delta Mendota Water Authority	15990 Kelso Road, Byron, California 94514 P.O. Box 2157, Los Banos, California 93635
Grassland Water District	200 W. Willmott Avenue, Los Banos, California 93635
San Francisco Public Utilities Commission	525 Golden Gate Avenue, 10 <sup>th</sup> Floor San Francisco, California 94102
Santa Clara Valley Water District	5750 Almaden Expressway, San Jose, California 95118
Zone 7 Water Agency	100 N. Canyon Parkway, Livermore, California 94551
<b>EX OFFICIO MEMBER:</b> California Department of Water Resources	1416 9 <sup>th</sup> Street, Room 1115-1, Sacramento, California 95814 P. O. Box 942836, Room 1115-1, Sacramento, California 94236-0001

ZONE 7 BOARD OF DIRECTORS  
SUMMARY NOTES OF THE FINANCE COMMITTEE

August 8, 2024  
11:00 a.m.

Directors Present: Dawn Benson  
Catherine Brown  
Kathy Narum

Staff Present: Valerie Pryor, General Manager  
Osborn Solitei, Treasurer/Assistant General Manager - Finance  
Lizzie Foss, Financial Analyst  
Donna Fabian, Executive Assistant

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1. Call Meeting to Order

Director Narum called the meeting to order at 11:02 a.m.

2. Public Comment on Items Not on the Agenda

There were no public comments.

[Director Narum requested that the Committee address Item 6 first, as there were a few people in the audience specifically present for that item.]

6. Calendar Year 2023 Untreated Water Rate Reconciliation

Lizzie Foss, Financial Analyst, presented the results of the calendar year 2023 untreated water reconciliation. The reconciliation process ensures fairness between untreated and treated water customers. Ms. Foss noted that last year, the board approved a five-year plan to gradually reduce this balance, with the first year of this plan reflected in the calendar year 2024 rate.

Ms. Foss explained the untreated water rates are set annually based on cost and delivery projections, and that the untreated water program lacks a designated fund balance, leaving it vulnerable to fluctuating water supply costs. The reconciliation process ensures sufficient revenue collection to cover costs and maintains equity between treated and untreated customers.

Ms. Foss stated that a cash flow analysis was used to calculate the reconciliation amount, resulting in a positive balance of \$304,392 for the year. This amount reduced the outstanding balance to \$1.1 million as of December 2023. To continue progress, reconciliation charges will be added each year.

Ms. Foss presented a graph showing the actual balances through 2023 and the projected trajectory under the five-year plan. If the plan continues as expected, the balance will reach

zero by the end of 2028. Ms. Foss also outlined upcoming meetings, where the Finance Committee will review the preliminary calendar year 2025 untreated water rate in September, and a recommendation will be forwarded to the Board for adoption in October. The new rate is expected to take effect on January 1, 2025.

Public comment was made by Mark Triska, Chair of the Tri-Valley Conservancy.

### 3. Investment Report as of June 30, 2024 (Unaudited)

Justin Resuello from PFM Asset Management presented the Investment Report as of June 30, 2024 (Unaudited). He reviewed the Agency's operating investment portfolio, focusing on fixed-income bond assets. Mr. Resuello discussed recent economic developments, including moderating economic growth in the U.S. due to inflation nearing the 2% target, improvements in the labor market, and consumer resilience despite rising interest rates and unemployment.

Mr. Resuello noted that the Federal FOMC committee recently held rates steady but indicated that a rate cut in September was possible if inflation data remained positive. He also reviewed key economic data, such as the ISM manufacturing index, job growth, and unemployment rates, which showed signs of economic moderation. Despite market volatility, Mr. Resuello emphasized that the current environment was favorable for purchasing fixed-income assets for the Agency.

The report included an analysis of inflation trends, non-farm payrolls, and unemployment rates, all of which suggested potential for future rate cuts. Mr. Resuello also discussed consumer spending, wage trends, and the potential for a soft economic landing. He concluded that while the market remains volatile, it is still a good time to invest in bonds, which provide stable returns for the Agency.

Mr. Resuello reviewed sector yield spreads, highlighting the attractiveness of corporate and asset-backed securities. The Agency's investment portfolio grew to \$143.9 million, with improved yields at cost and market. The portfolio maintains high credit quality, with 86% of holdings rated AA or higher. The report also outlined recent portfolio activities, including new purchases of corporate and agency CMBS, which have benefited the Agency's portfolio. Finally, Mr. Resuello reported that the portfolio earned over \$1.2 million for the Agency, outperforming the benchmark by 2 basis points.

The Committee agreed to move the item to the full Board.

### 4. Annual Pension Trust Fund Report as of June 30, 2024 (Unaudited)

Ryan Nicasio, Senior Vice President with PARS, provided a presentation on the 115 Trust program the Agency uses to pre-fund pension liabilities. He began by updating the Board on a recent change in the investment manager, which shifted from HighMark Capital Management to PFM Asset Management at the start of the year. Despite this transition, the asset allocation and investment strategy remain unchanged, requiring no action from the Agency.

Mr. Nicasio highlighted PARS's role as the administrator of the trust, handling recordkeeping, processing contributions, and ensuring plan compliance with GASB, IRS, and government code requirements. U.S. Bank serves as the trustee, safeguarding the assets and ensuring the program remains compliant.

The Pension Rate Stabilization Program, a key component of the 115 trust, was discussed as a tool for agencies to pre-fund liabilities and locally control assets. Mr. Nicasio provided a summary of the Agency's program, noting it was established in 2021 with initial contributions of \$1.5 million, now totaling over \$2 million as of June 30, 2024. No disbursements have been made to date, and the Agency's pension liability stands at \$18.3 million with an actuarially determined contribution of \$3.3 million.

Michael Wiehn from PFM Asset Management then reviewed the investment strategy, emphasizing that while HighMark merged with PFM, the investment approach remained consistent. The portfolio, classified as moderately conservative, consists of 30% equities, 65% fixed income, and 5% cash. The one-year return as of June 30, 2024, was 8.93%.

Mr. Wiehn discussed market trends, including the strong performance of large-cap companies like Apple, Amazon, and Tesla, driven by advancements in artificial intelligence. He also addressed recent market volatility, highlighting the impact of international developments, such as the Bank of Japan's interest rate changes, and the ongoing political uncertainties.

Mr. Wiehn stated that overall, the portfolio has performed well, outperforming benchmarks in the past year. The fixed-income portion of the portfolio has provided stability during recent market fluctuations, showcasing the benefits of diversification.

Director Benson inquired about the investment portfolio detailed on page 2.1 of the report, specifically the 2.25% return for the first quarter and the overall year-to-date figures. Mr. Wiehn confirmed that the 2.25% was the return for Q1 and clarified the timeframe for the one-year performance. Director Benson noted the decline in the three-year return, which Mr. Wiehn attributed to market downturns in late 2021, resulting in the worst market conditions in 60 years, affecting both stocks and bonds. The discussion highlighted the timing of the Agency's investment during these challenging market conditions.

Director Benson questioned the long-term return projections of 4.29%, to which Director Narum expressed uncertainty about the figure. Mr. Wiehn explained the year-by-year performance, emphasizing the market recovery in recent periods. Osborn Solitei, Treasurer/Assistant General Manager – Finance, provided additional context, noting significant losses in 2021 but improvements in subsequent years, with a hopeful outlook for continued gains.

Director Narum shifted the discussion to the Agency's investment guidelines, specifically the asset allocations for cash, fixed income, and equity. Mr. Wiehn confirmed that the Agency is within its target allocations, staying close to benchmarks. The Committee discussed the alignment of the Agency's investment strategy with its objectives, and Mr. Wiehn and Mr. Nicasio affirmed that the current conservative strategy remains consistent with the Agency's long-term goals.

The conversation concluded with Director Narum expressing concern over the modest returns of approximately \$2,500 over three years, suggesting the need to monitor the situation. Mr. Wiehn acknowledged the challenge of the initial investment timing but remained optimistic about future performance. Mr. Solitei added that the Agency could invest up to \$500,000 more into the portfolio. The Committee agreed to move the item to the full Board.

## 5. Endowment Trust Funds Annual Report

Mr. Solitei presented the Annual Report on the Endowment Trust Funds, focusing on two endowments: the Camp Parks Endowment and the Scarlett Drive Endowment. The Camp Parks Trust Fund was received in late 2017 or early 2018, totaling \$1.1 million as of June 30<sup>th</sup>, with an accumulated interest of \$95,000. The Scarlett Drive Endowment, received in 2021, amounts to \$380,000. Both funds are part of the larger portfolio managed by Mr. Resuello, with a current return of 3.63%. The endowments are intended for future maintenance of specific areas, with Camp Parks' responsibility estimated to begin around 2028-2029 and Scarlett Drive in 2032. These funds are restricted until the areas meet certain criteria for acceptance. Mr. Solitei invited questions from the Committee regarding the investments and funds received.

Director Benson raised questions about two specific areas: Camp Parks and Scarlett Drive. She noted the allocation of \$1,031,000 for Camp Parks and \$380,000 for Scarlett Drive and inquired about the additional \$40,000 from Zone 7's loss of mitigation and area use opportunity, questioning whether it was included in the figures. Mr. Solitei clarified that the \$40,000 was not included and was uncertain about its specifics but committed to following up.

Director Benson further questioned the source of the funds and their contributions, to which Mr. Solitei confirmed that they originated from the developer, Dublin Crossing, through the City of Dublin. They discussed the payment timelines, with Scarlett Drive being paid in 2021 and Camp Parks in 2017, both for mitigation purposes.

Director Benson then asked about the timeline for taking over the operations of these areas. Mr. Solitei explained that both areas had a 10-year timeline, meaning Camp Parks might be ready for operation by 2028, but only if specific criteria were met. If not, the takeover could be delayed.

Director Benson also inquired about the cost of maintaining these areas. Mr. Solitei estimated that cost to be approximately \$6,000 annually, indexed at 2.6% of the CPI growth. The conversation shifted to the returns on investments, with Director Benson noting that the portfolio yielded \$18,000 from the \$380,000 for Scarlett Drive and \$95,000 from the \$1 million for Camp Parks. Mr. Solitei mentioned the current portfolio's rate of return was at 3.6%, closely mimicking investment strategies managed by Mr. Resuello.

Director Narum expressed concerns about the portfolio's performance, noting that it generated only 50% of the expected return over six years. She suggested separating the funds and locking them into a higher-yield investment. Mr. Resuello supported the idea of exploring

alternative strategies and offered to work with staff on potential revisions to the investment policy, within the constraints of state code.

Ms. Pryor commented on the challenges of managing such a small fund separately and the potential administrative costs involved. Director Narum acknowledged the comments but emphasized the importance of evaluating options, given the shortfall in the Camp Parks endowment. Osborn agreed to discuss the matter with PFM Group and explore locking the funds into a fixed-term investment without additional fees.

The discussion concluded with Director Narum requesting that Osborn present feasible options in a future Finance Committee meeting.

## 7. Adjournment

Director Narum adjourned the meeting at 12:43 p.m.

Reports – Directors (Green)

**ACWA August 28, 2024**

**Regulatory Water Quality Committee Meeting Notes**

**Chairs welcome and introductions**

***Katie Duncan (Vice Chair sitting in for Edgar Dymally, Friant Water Authority)***

**Perfluoroalkyl and Polyfluoroalkyl Substances Maximum Contaminant Level Update**

***Patrick Versluis (OCWD, Director of Water Quality)***

State likely to adopt USEPA MCLs, and timelines.

The emphasis is different from State to Federal MCLs: CA looks at source water, Feds look at entry points.

For PFAS CA monitoring and analysis:

- CA AOF Method is added, and
- CA is working on non-target analysis – broad spectrum PFAS.

DDW wants to get a broader understanding of PFAS, which may lead to a treatment-based regulation, to capture all PFAS.

PFHxA notification possibly coming soon.

***Nick Blair (ACWA, State Relations Advocate II)***

We are watching regulations and legislation progress in hopes of giving advice as they are crafted.

***Charlie Wilson [Las Virgenes Municipal Water District (sitting in for Dave Pedersen, General Manager)]***

ACWA has a Draft update to the 2023 letter sent to OEHHA letter requesting that OEHHA conduct its 5-year review process for perchlorate PHG "before the State Water Resources Control Board (SWRCB) determines, potentially as early as 2027, whether to revise the perchlorate maximum contaminant level".



## **Central Valley Salinity Alternatives for Long-Term Sustainability: Nitrate Control Program**

***Debra Dunn (Kings River Conservation District, Manager of Water Resources)***

Public Outreach has been challenging

Advice:

- Remain consistent
- Be persistent
- Follow through with promises

Q: Jeff Lauder. Mixed results with engagement, why do postcards work where and when they do?

A: Debra Dunn. Best Approach is working with community leaders to get your message out.

Q: Katie Duncan. Coalitions can overlap, how do you see this.

A: Debra Dunn. Growers can have testing overlap. We also test for AG irrigation folks.

## **Post-Fire Water Quality**

***Jeff Lauder (Sierra Streams Institute, Executive Director) and Helen Fitanides (Sierra Streams Institute, Science Director)***

After wildfires we see:

- Phosphorous and nitrate from the retardant, and metals
- Looking upstream or down-stream, the severity of the fires are not great predictors of ultimate effects
- Takes a while for effects to show up
- Size of fire not correlated with variation of effects
- Best predictor was time since fire

Q: Patrick Versluis. Can you get an idea of the amount of retardant dropped?

A: Jeff Lauder. Yes, some of that information is also available on request.

Q: Stephen Pang. Is data use intended to inform water practices, etc.? Long-term?

A: Jeff Lauder. We want to track mitigation efficacy; erosion control is an example. Retardant can act as a fertilizer.

Q: Nick Blair. Do you have discussions with electrical utilities?

A: Jeff Lauder. Politically loaded, so not direct discussions at that large of a scale, just incidental discussions with field workers. Once more robust data and analyses is available, then we may have direct conversations.

Q: Anjanette Shadley. Recently had update regarding Chico Creek 5-mile and 1-mile pools. What are your top recommendations for winter?

A: Jeff Lauder. Establish baseline before storms. Measure the following:

- phosphates
- turbidity
- metals
- bacteria

A: Helen Fitandes. Yes, please contact us for further recommendations.

Q: Katie Duncan. Concern of constituent spikes, what anticipatory treatment have you discussed?

A: Jeff Lauder. Not much capacity for the River Fire discussions beforehand. Now revisions on planning including water monitoring.

### **ACWA Updates**

#### ***Stephen Pang (ACWA, State Relations Advocate)***

Potable Reuse regulations out now and effective date is October 1, 2020.

CA Endangered Species ACT, ACWA would like to help streamline the process, so getting together a Working Group.

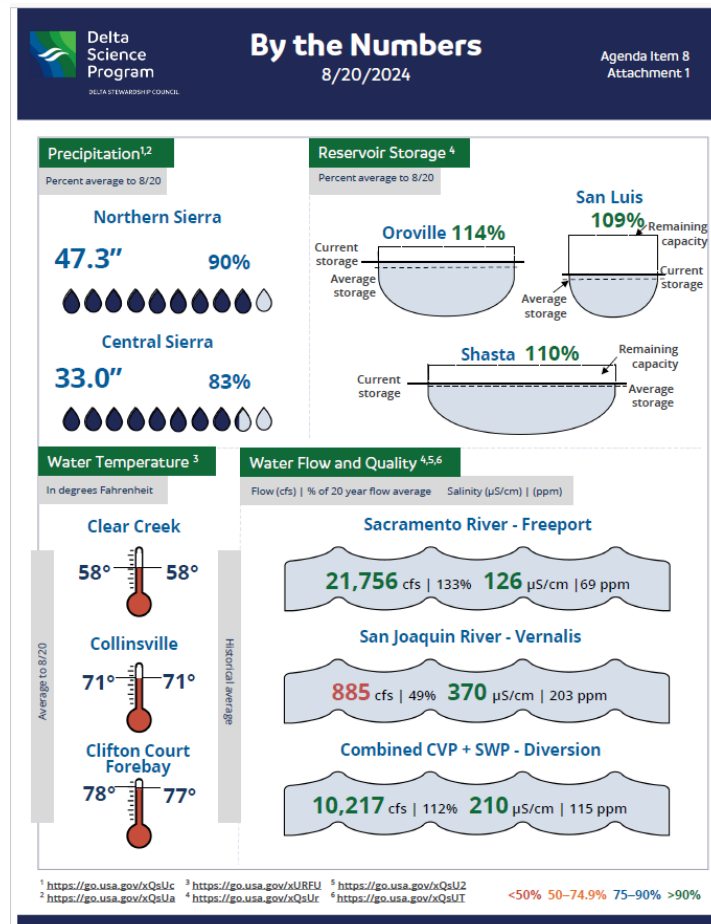
Slides to this Meeting will be forthcoming.

**August 22** Attended (virtually) **Delta Stewardship Council**  
 Adoption of Regulations relating to Delta ecosystem restoration management (Resolution 2024-06)

**Overview of Proposed Regulation**

Proposed changes to California Code of Regulations, title 23, division 6:

- **Add required disclosure** of ecosystem restoration and social benefits;
- Modify requirements for projects at tidal elevations to **accommodate future marsh migration, sea level rise, and tidal inundation**;
- Require projects at subtidal elevations to **safeguard against levee failure**;
- Refine locations of levee projects required to consider **alternatives that improve floodplain values**, and consider a **broader range of alternatives than setback levees**;
- **Add a legacy clause** for covered actions that have already started CEQA;
- **Add new defined terms**;
- **Add Appendices with maps and details** supporting proposed regulations.



- Army Corps of Engineers to issue report on Vegetation Management on Delta Levees
- A Tribal and Ecosystems issue paper is being developed.

Note: September 23-25 there is a "California Modeling Forum" : issues such as HABs (Hazardous Algal Blooms) and Healthy Rivers and Ecosystems (Formerly known as Voluntary Agreements) will be addressed. <https://cwemf.org/wp/services/annualmeeting/>

**August 20 CalWEP (California Water Efficiency Partnership) and League of California Cities Webinar** on State Water Project Issues

See PPIC Report "Building Drought Resilience in California's Cities and Suburbs

[https://www.ppic.org/wp-content/uploads/content/pubs/report/R\\_0617DMR.pdf](https://www.ppic.org/wp-content/uploads/content/pubs/report/R_0617DMR.pdf)

Speakers addressed

- transferable property rights
- buyers/ sellers gap with Urban and AG
- physical conveyance
- need for a legal framework esp. with prices and spatial relationships
- financialization of water (NASDAQ)

**August 28 ACWA Regulatory meetings** (report during Board meeting) I attended

- **Groundwater Committee**
  - well spacing important
  - Discussions of subsidence
  - AB 2079 update
  - Multibenefit land repurposing program
  - interconnected surface waters (ISW) depletions and methodologies for estimating
  - Multibenefit Land Repurposing
    - [https://www.conservation.ca.gov/dlrp/grant-programs/Documents/grant/000\\_Land%20Repurposing%20Program%20Guidelines\\_FINAL\\_combined.pdf](https://www.conservation.ca.gov/dlrp/grant-programs/Documents/grant/000_Land%20Repurposing%20Program%20Guidelines_FINAL_combined.pdf)
- **Water Quality Committee**
  - PFAS updates
  - CV SALTS (Central Valley Salinity Alternatives for Long Term Sustainability)
  - Fire Impacts on Water Quality - 3 Sierra Watersheds as examples
    - need to standardize data collection
    - fire severity and size are not strong predictors of impact to water quality
- **Energy Committee**
  - discussion of resource adequacy
  - peak capacity
  - benefits of Microgrids
  - Competitive procurement processes, incentives and revenues
- **Agriculture Committee**
  - discussion of Healthy rivers and Landscapes formerly known as "Voluntary Agreements"

- see: <https://resources.ca.gov/Initiatives/Voluntary-Agreements-Page>
- [https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Voluntary-Watershed-Agreements/Draft Strategic Plan.pdf](https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Voluntary-Watershed-Agreements/Draft_Strategic_Plan.pdf)
- discussed handling of drought and lack of storage during drought and the need to create more partnerships
- need MOUs between Urban and Ag

## **Sept 10**

### **ACWA CESA (California Endangered Species Act) Workgroup**

Many of the issues addressed were on problems working with CESA, especially with agriculture groups, specifically in Southern California and several issues with Colorado River.

Federal and State definitions of "take" a species are different

There is a lack of mitigation properties and funds

there is often a need for multiple incidental "take" permits during the same project

Note that when they are involved, the US Fish and Wildlife are often helpful and easier to work with in discussions with CDFW (as expressed by webinar participants)

Petitions should have clear data available to make the 90 day review periods more meaningful. It was expressed that this was often not the case.

**ORIGINATING SECTION:** Administration

**CONTACT:** Valerie Pryor

**AGENDA DATE:** September 18, 2024

**SUBJECT:** General Manager's Report

**SUMMARY:**

The following highlights a few of the key activities which occurred last month. Also attached is a list of the General Manager (GM) contracts executed during August.

Engineering and Water Quality:

**Environmental Laboratory Accreditation Program (ELAP):** Zone 7 Laboratory received the Final Onsite Assessment Report from the ELAP assessor on August 21. With the assessment completed, staff is preparing the application package for the annual renewal of the ELAP certification.

**Partnership for Safe Water Program:** Staff completed the 2023-2024 annual Program report. Both surface water treatment plants continue to meet the stringent Program goals.

**Stoneridge Well PFAS Treatment Facility Project:** The facility is fully operational and is projected to be completed approximately \$1,500,000 under-budget. Approximately \$500,000 of the remaining funds will be used to implement a utility power switchover from PG&E to Power and Water Resources Pooling Authority (PWRPA), including installing new power service equipment, which is anticipated to reduce annual power costs at Stoneridge by \$300,000 to \$400,000 annually, resulting in a payback period of less than two years. This utility switchover is consistent with Zone 7's Energy Policy.

**Chain of Lakes (COL) Wells PFAS Treatment Facility Project:** The contractor completed construction of the concrete foundation, underground storm drainage, and underground electrical duct banks. The contractor continues to experience delays in the fabrication and procurement of the underground piping and the vessel system. Underground piping work is tentatively scheduled to occur from late-September through October, with installation of the vessel system tentatively scheduled to occur between October and November. The project is anticipated to be complete in winter 2024/2025.

**Flood Management Plan Phase 2a:** The Flood Management Plan (FMP) team continues to make progress assessing the flood protection system and is developing a work plan that best

fits the need for planning-level modeling to support impact assessments. Modeling consultants will be updating the Hydrologic and Hydraulic (H&H) model to be used for the FMP which includes revising hydrologic model parameters to improve model runs and improve accuracy under more frequent storm events including the 10-year, 25-year, and 100-year storm events. The estimated schedule for this modeling effort is to be completed by December 2024. The model will then be used by the FMP lead consultant to complete Phase 2a of the FMP.

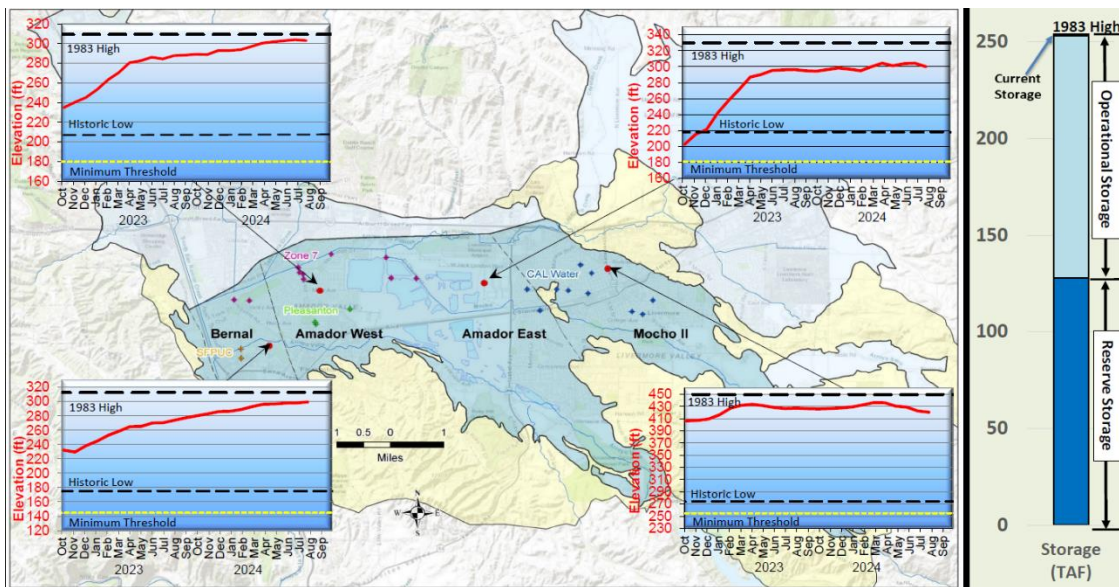
**2023 Storm Damage Repairs:** As a result of the 2023 winter storms, staff have identified 177 damage sites along channels owned by Zone 7. Zone 7 is seeking assistance for repairing the damaged sites with aid from FEMA/CalOES and US Army Corps of Engineers (USACE). Staff has executed an engineering design contract with Wood Rodgers to provide engineering and permitting support for 51 damage sites. These include high, medium, and low priority sites. Staff has provided comments on the 35% plans, and the consultant is currently preparing the 65% design plans and specifications to be completed by October, with the 100% design to be completed by November. USACE has finalized and approved the project information reports (PIR) for rehabilitation assistance for 48 damage sites. USACE anticipates beginning construction in 2025. Staff is proposing for USACE to prioritize repairs on Arroyo Mocho and Alamo Canal. Staff has submitted environmental support documents to USACE for regulatory permit approval for the 2025 construction work. Four bids were received for the project to address three of five high-priority storm-damage sites. Staff anticipates bringing the construction contract to the Board for award at the September Board meeting. The repairs will be constructed in spring 2025, pending environmental permits.

#### Integrated Water Resources:

The State Water Project (SWP) allocation remains at 40%. August treated water supply comprised 90% surface water and 10% groundwater.

Staff continues to track the demand conditions, and in August 2024, Zone 7's treated water production volume was 2% higher than the same time in 2023. Calendar year to date (through August) treated production and untreated deliveries are approximately 10% lower than the same period in 2020.

Staff completed monthly groundwater level measurements for August. Groundwater level trends are starting to show slight decline across most of the basin since recharge activities were suspended for the year. However, the Bernal sub basin in the west is still on the rise. Staff are preparing to conduct semi-annual measurements in September. The estimated basin storage capacity above the Minimum Thresholds (operational storage) is 126,000 AF. Currently, the Basin is at approximately 99% of its storage capacity above minimum thresholds (125,020 AF out of 126,000 AF).



**Delta Conveyance Project (DCP):** DWR continues working towards attaining permits for construction and operation of the DCP. The Change in Point of Diversion (CPOD) pre-hearing process is underway. A pre-hearing meeting was held on August 13<sup>th</sup> for interested parties to cover administrative matters. The public CPOD hearing is scheduled to start on January 16, 2025, and the CPOD will amend DWR's water rights to include the two proposed DCP intakes. Also of note, DWR released the DCP Operations Plan which summarizes operational commitments DWR has made for when the project becomes operational. The plan will be updated periodically to reflect current permit requirements, applicable laws, and regulatory requirements. Zone 7 representatives continue to serve on the Boards of the DCA and the Delta Conveyance Finance Authority (DCFA). Board packets for both the DCA and the DCFA can be found at: <https://www.dcdca.org/meetings/>.

**Los Vaqueros Reservoir Expansion (LVE):** The Los Vaqueros Reservoir JPA Board met on August 14. The discussion covered updates on the project budget, schedule, and key agreements. On August 21, the representatives from the JPA and CCWD met in person to negotiate the CCWD Facilities Usage Agreement. Additional meetings will be needed to discuss all the terms and details. Follow up meetings have been scheduled for September. The Zone 7 Board passed a resolution to appoint President Gambs as an Alternate Director on the Los Vaqueros Reservoir JPA Board.

**Sites Reservoir.** The Sites Reservoir Committee and Authority Board met on August 16. The discussion covered topics such as an update on the Benefits and Obligations Contract, an update on the Sites Operations Plan, and the roadmap to a Record of Decision on the Final Environmental Impact Statement. The Sites Project Authority met with local landowners to share the latest project updates and answered questions about the project timeline and impacts. The goal of these meetings is to provide transparency to the local community, especially to the landowners who will be directly impacted by the project construction and operations.



### Operations and Maintenance:

Staff worked on several projects including support work for the Del Valle Water Treatment Plant (DVWTP) Ozonation post-project work, the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project, the Mocho Groundwater Demineralization Plant Concentrate Conditioning project and the Chain of Lakes PFAs Treatment Facility Project. Staff has mobilized for Summer 2024 operations and peak demands.

### Administration:

This year, Zone 7 will also be hosting an in-person [Flood Preparedness Open House](#) on Saturday, October 19 from 10:00am to 2:00pm. Participants will learn essential tips and strategies to protect their home and family during floods. They can explore interactive exhibits, engage with experts, and discover how Zone 7 is working to safeguard our community against potential flood risks. We will have sandbags, emergency preparedness tips, and information about our flood management efforts.

## Monthly List of GM Contracts

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
ABM Electrical Power Services	\$30,000	Electrical Power Testing at Mocho Groundwater Demineralization Plant (MGDP) and As-Needed Repair/Testing Services
Civicorps Schools	\$50,000	Debris and Vegetation Management
Gladwell Governmental Services Inc.	\$11,100	Analysis of the Agency's current records retention schedules and to bring them current /compliant
IEDA	\$38,108	Provide Zone 7 with Employee Labor Relations Services
Professional Service Industries, Inc.	\$25,000	Providing Zone 7 with environmental and hazardous materials testing services, safety and regulatory compliance assistance
Yorke Engineering, LLC	\$50,000	Providing Zone 7 with environmental and hazardous materials testing services, safety and regulatory compliance assistance, and specification preparation for current/future Capital Improvement Projects
<b>Total August 2024</b>	<b>\$204,208</b>	

**ORIGINATING SECTION:** Office of the General Manager

**CONTACT:** Alexandra Bradley

**AGENDA DATE:** September 18, 2024

**SUBJECT:** August Outreach Activities

**SUMMARY:**

To deliver on the Agency's 2020-2024 Strategic Plan Goal F which strives to engage our stakeholders to foster mutual understanding, staff implements and oversees a multi-faceted outreach and communications program to connect with and engage stakeholders. Through an open and transparent approach, the Agency seeks to deliver effective customer-centric communications, reaching constituents where, when, and how they prefer. Effective communication builds confidence, trust, and awareness among constituents, increases participation to help with effective decision-making, and helps strengthen Zone 7's commitment to its mission and vision. This monthly staff report provides timely updates on progress towards meeting the goal of engaging our stakeholders.

**Communications Plan Updates**

**Outreach:** Staff continues to promote the water conservation rebates, specifically the smart irrigation controller, pool, and lawn conversion rebates as residents are more focused on outdoor living in the summer months. Increased outreach for the High Efficiency Washer rebate was also prioritized in advance of the Labor Day sales when residents typically shop for appliances.

Staff coordinated the monthly communications meeting with the retailers. Planning for the annual Water Conservation Art Contest was finalized and outreach for the contest has begun. In prior years, the contest was limited to the City of Livermore. This year all retailers are participating, and the contest is open to all students in the Zone 7 service area. The theme for this year is "Habitat Heroes: Transforming Lawns into Vibrant Native Gardens" and is aimed at getting students to think about the impact of replacing lawns with native plants that promote healthy habitats within our urban areas. Interested parties can learn more at [www.zone7water.com/artcontest](http://www.zone7water.com/artcontest).

## **Outreach Program Updates**

### **Schools' Program:**

This month the team successfully launched another year of Zone 7's Water Academy. Invitation emails have been sent to teachers in each district. The response has been very positive with over 80 individual teacher requests. Currently over 275 lessons have been scheduled.

Four classroom visits were completed in August and there are 47 visits scheduled for September.

### **In-Person Events:**

Rancho Las Positas Elementary School Family Science Night, Thursday, September 12, 2024, 5:30pm-7:30pm at Rancho Las Positas Elementary School in Livermore. Zone 7 has been asked to attend this family focused event at Rancho Elementary. Students and their parents will learn about our watershed by interacting with our floodplain model. They will also receive information about our schools' program as well as rebates and giveaways.

Splatter, Saturday, September 14, 2024, 12:00pm-8:00pm, Emerald Glen Park, 4120 Central Parkway, Dublin. Zone 7 Water will once again have a booth at the city of Dublin's popular event. Festival goers will be provided with rebate information and Zone 7 water-saving giveaways. Activities may include a Plinko game designed to help people focus on water facts and conservation.

Quest Science Center, Saturday, September 14, 2024, 11:00am-2:00pm, Quest Plaza at Stockmen's Park, 29 S. Livermore Ave., Livermore. Zone 7 will join other local groups in a hands-on science event focused on engineering. Families will be invited to use engineering processes to design a water filter. This activity will facilitate discussions of how Zone 7 treats imported water to make it safe for drinking.

Dublin Farmers' Market, Thursday, September 26, 2024, 4:00pm-8:00pm at Emerald Glen Park, Dublin. Zone 7 will once again host a booth with rebates and timely giveaways, including a bucket for collecting shower water while waiting for the water to warm up. An activity will be available to engage families in discussions about responsible water usage.

Rotary Chili Cook Off, Saturday, October 5, 2024, 11:00am-4:00pm at Carnegie Park at 2144 Third Street, Livermore. Zone 7 will host a booth again at the Chili Cook-off. We look forward to representing Zone 7 and engaging with the public on topics of water importance and conservation inside and outside of the home.

Livermore Farmers' Market, Thursday, October 10, 2024, 4:00pm-8:00pm, Carnegie Town Square in Livermore. Zone 7 will host a booth to encourage discussions about ways to save water in and out of the house. Rebates and giveaways, including our buckets for collecting

shower water while waiting for the water to warm up, and plate scrapers to reduce water usage in the kitchen, will be available.

Smith Elementary School Family Science Night, Smith Elementary School, Livermore, Friday, November 15, 2024, from 5:00pm – 8:00pm. Zone 7 has been asked to participate in Smith Elementary’s interactive family science night. We look forward to engaging with Smith Elementary school students and their family members.

Dublin Elementary School Family Science Night, Dublin Elementary School, Dublin, Wednesday, December 4, 2024, from 5:30pm – 8:00pm. Zone 7 has been asked to participate in this newly imagined family science night. We look forward to engaging with Dublin Elementary school students and their family members.





Please visit [www.zone7water.com/calendar](http://www.zone7water.com/calendar) for the most up-to-date schedule of public events.

**ATTACHMENTS:**

1. August Social Media Dashboard
2. August Analytics Dashboard for Zone7Water.com

# Social Media Insights

01 Aug 24 - 31 Aug 24

-  Zone 7 Water Agency
-  Zone 7 Water Agency
-  Zone 7 Official
-  Zone 7 Water Agency

# Followers

## Zone 7 Water Agency

1,731  
+0.58%



1,157  
+0.26%

Facebook

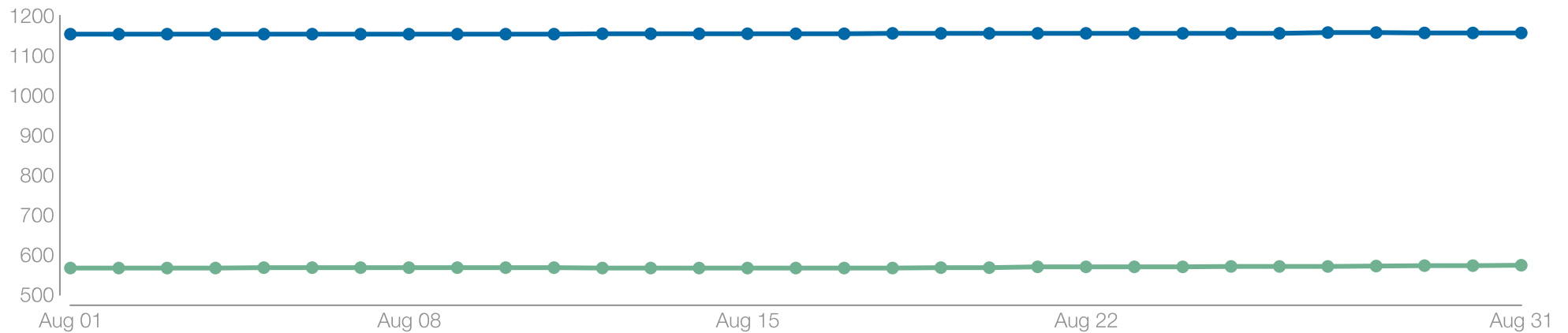
574  
+1.23%

LinkedIn

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YouTube



Aug 01 - Aug 31



# Impressions

Zone 7 Water Agency

124.24K

+4.93%



111.12K

+6.1%

Facebook

1,403

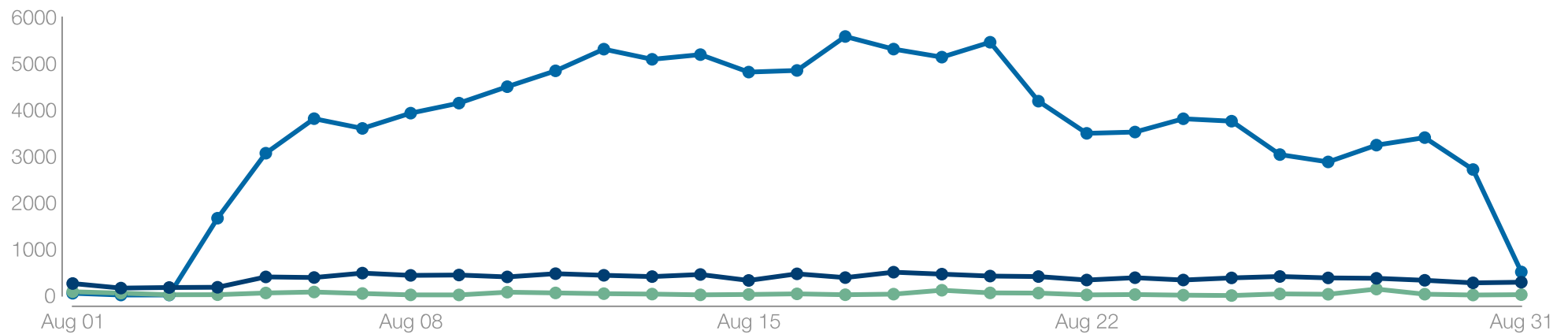
-2.64%

LinkedIn

11.72K

-4.14%

YouTube



Aug 01 - Aug 31





# Post interactions

Zone 7 Water Agency

623

-8.92%



578

+134.01%

Facebook

45

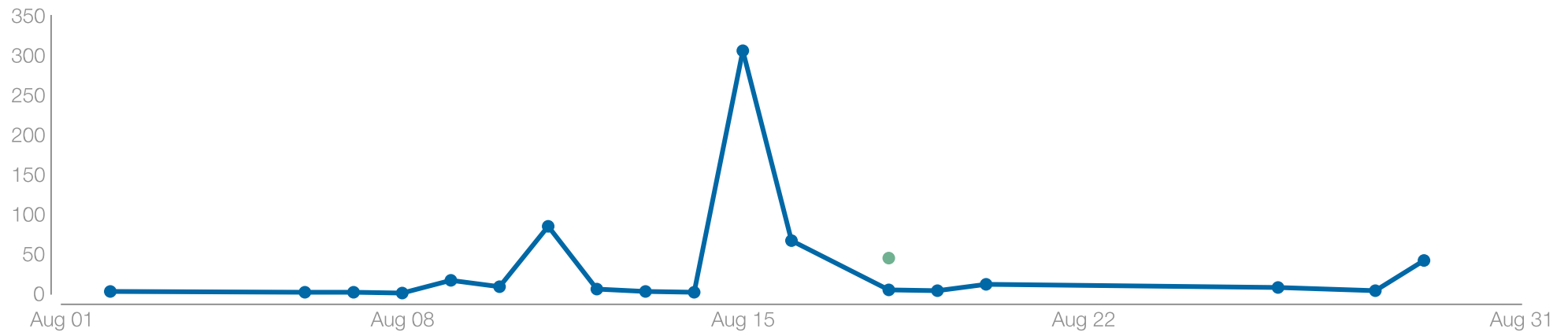
-89.7%

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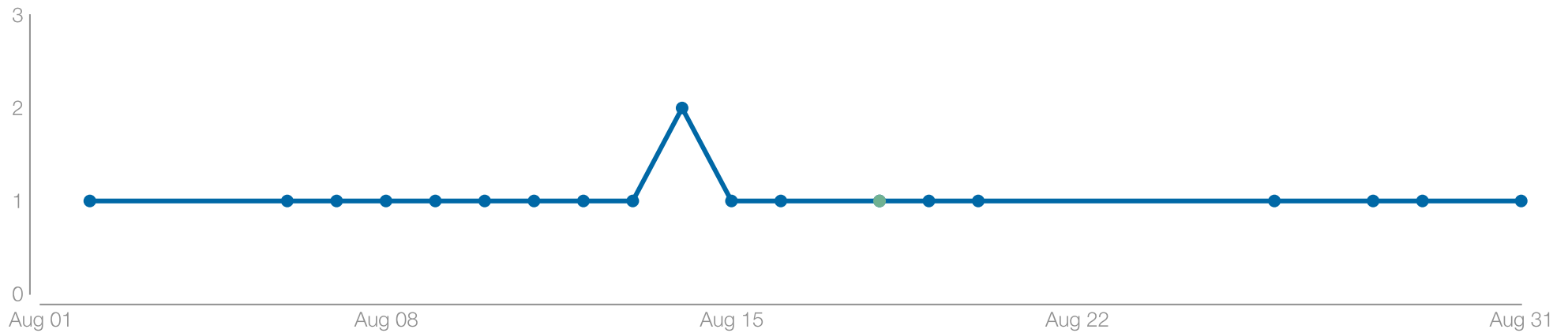
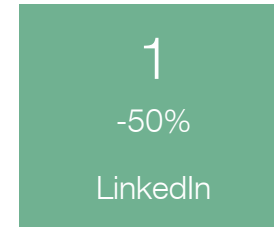
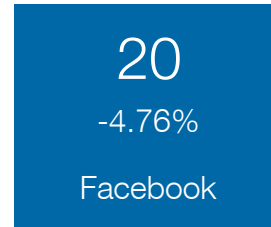
Aug 01 - Aug 31



# Posts

## Zone 7 Water Agency

21  
-12.5%











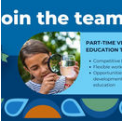

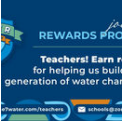


Aug 01 - Aug 31



# Ranking of posts

















## Zone 7 Water Agency

Showing 20 posts sorted by Impressions











Date	Text	Network	Impressions	Interactions
Aug 17, 2024 01:30 AM	 DYK the majority of the Tri-Valley's water is i...	<a href="#">Go</a> 	6,630	67
Aug 15, 2024 09:12 PM	 We are a proud participant of the Sites Reservo...	<a href="#">Go</a> 	4,845	306
Aug 11, 2024 09:05 PM	 Summer is a great time for home remodels, inclu...	<a href="#">Go</a> 	4,674	85
Aug 29, 2024 09:26 PM	 Conservation is a way of life! Zone 7 wants to ...	<a href="#">Go</a> 	1,714	42
Aug 09, 2024 09:02 PM	 Are you interested in making a difference and h...	<a href="#">Go</a> 	1,296	17
Aug 20, 2024 10:01 PM	 School is officially back in session ! You know...	<a href="#">Go</a> 	1,283	12
Aug 18, 2024 11:40 PM	Join us on Tuesday, September 10th from 11AM - ...	<a href="#">Go</a> 	354	42

Aug 01 - Aug 31



Date		Text		Network	Impressions	Interactions
Aug 10, 2024 11:09 PM		Zone 7 applauds our partners in the Alameda Cre...	<a href="#">Go</a>		92	9
Aug 28, 2024 10:51 PM		We support Sites Reservoir because it will prov...	<a href="#">Go</a>		78	4
Aug 18, 2024 11:29 PM		Join us on Tuesday, September 10th from 11AM - ...	<a href="#">Go</a>		71	5
Aug 13, 2024 06:30 PM		Don't forget to download and read our 2023 Annu...	<a href="#">Go</a>		70	3
Aug 19, 2024 08:16 PM		Join us for our monthly Board Meeting this Wedn...	<a href="#">Go</a>		68	4
Aug 02, 2024 11:01 PM		Join us for a Special Board Meeting on Wednesda...	<a href="#">Go</a>		60	3
Aug 06, 2024 11:30 PM		Calling all teachers! Can you believe the new...	<a href="#">Go</a>		59	2
Aug 14, 2024 08:02 PM		Remember the orange you had for breakfast? Or t...	<a href="#">Go</a>		58	1



Date	Image	Text	Network	Impressions	Interactions
Aug 26, 2024 06:03 PM		Don't forget to sign up for our bi-monthly eNew...	<a href="#">Go</a> 	56	8
Aug 12, 2024 10:25 PM		Celebrate the 40th Annual California Coastal Cl...	<a href="#">Go</a> 	56	6
Aug 07, 2024 09:31 PM		Imagine a day without access to safe drinking w...	<a href="#">Go</a> 	49	2
Aug 15, 2024 03:38 AM			<a href="#">Go</a> 	42	1
Aug 08, 2024 09:16 PM		As we prepare for Living Arroyos Creek Cleanups...	<a href="#">Go</a> 	40	1

# Campaign impressions

Zone 7 Water Agency

33.93K

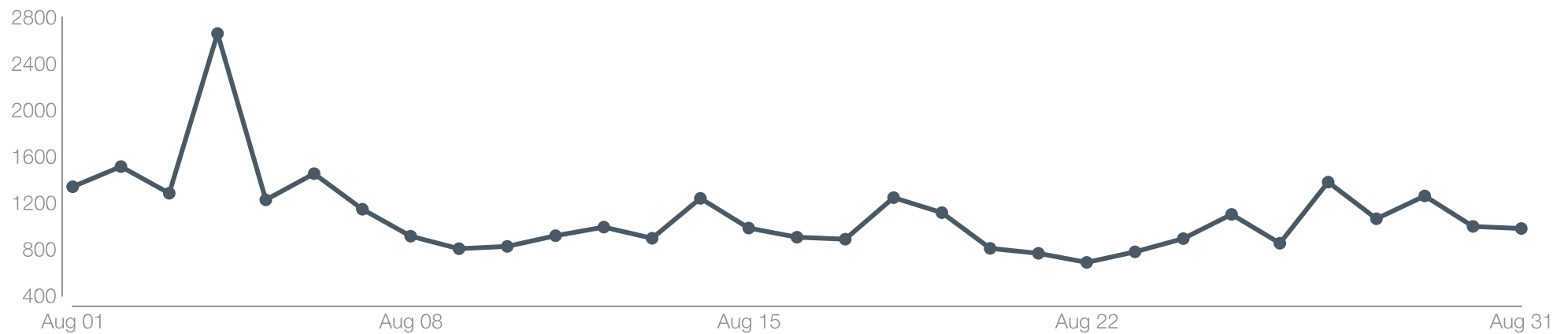
-16.74%



33.93K

-16.74%

Google Ads



Aug 01 - Aug 31



# Campaign clicks

Zone 7 Water Agency

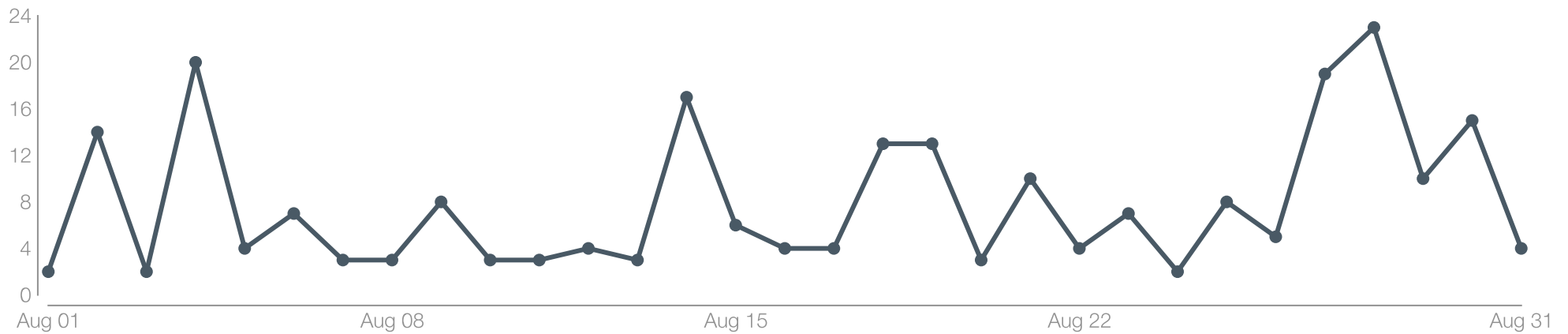
243

-15.92%

243

-15.92%

Google Ads



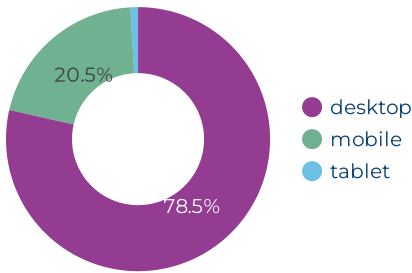
Aug 01 - Aug 31



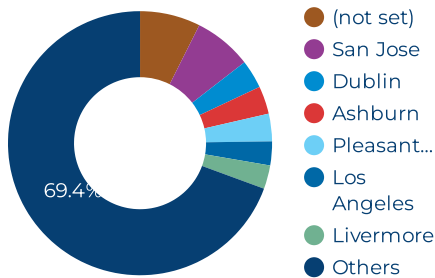
## Highlights:



## Device Type:



## Users by City



## Most visited pages on the website - users and pageviews

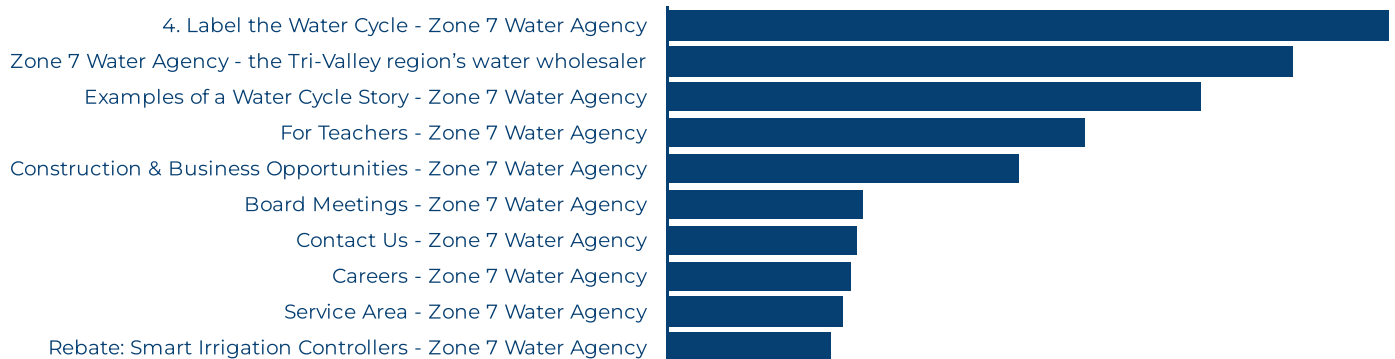
	Page title	Views	Total users
1.	Zone 7 Water Agency - the Tri-Valley region's water wholesaler	1,752	1,019
2.	Construction & Business Opportunities - Zone 7 Water Agency	1,011	445
3.	Careers - Zone 7 Water Agency	544	324
4.	4. Label the Water Cycle - Zone 7 Water Agency	496	412
5.	Examples of a Water Cycle Story - Zone 7 Water Agency	428	304
6.	Board Meetings - Zone 7 Water Agency	423	198
7.	For Teachers - Zone 7 Water Agency	389	196
8.	Regional Groundwater Facilities Project - Feasibility Study #2025-12 - Zone 7 Water Agency	259	175
9.	Contact Us - Zone 7 Water Agency	209	122
10.	Del Valle Water Treatment Plant Booster Pump VFDs and Underdrain Pump Station Replacement Project #310-24 - Zone 7 Water Agency	199	114

## Acquisition source/medium - where traffic sessions come from

	Session source	Session medium	Sessions
1.	google	organic	2,617
2.	(direct)	(none)	2,019
3.	bing	organic	298
4.	Mailchimp	eNewsletter	104
5.	dsrsd.com	referral	82
6.	cityofpleasantonca.gov	referral	77
7.	Z7WEBSITE	POPUP	73
8.	zone7water.report	referral	56
9.	FB	AD	49
10.	homedepot.com	referral	35

1 - 100 / 114 < >

## Pages with the most time spent by users

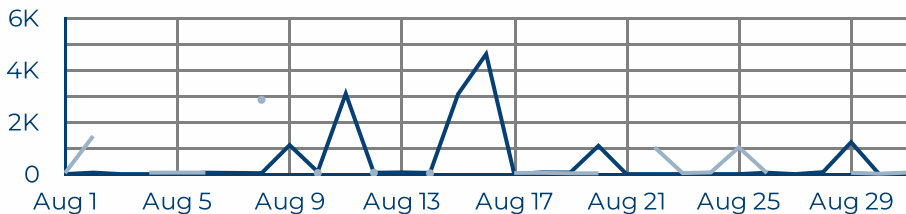




## Facebook Analytics

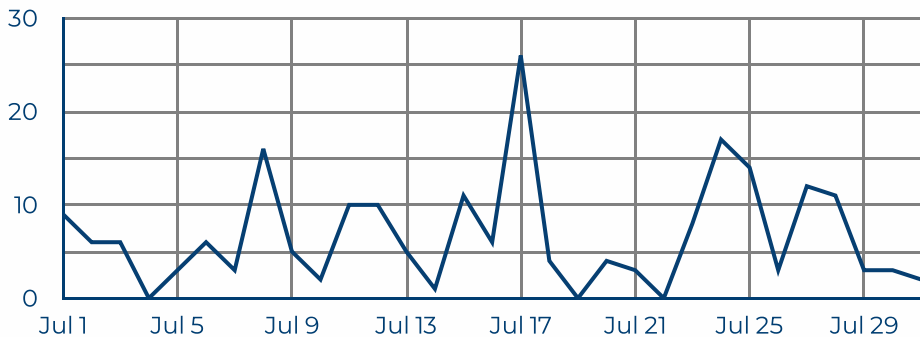
Total Posts	Engagement	Page Followers	Impressions
20	101.15	1,157	111,117
↓ -4.8%	↓ -8.5%	↑ 0.3%	↑ 6.1%

Facebook Daily Average Reach per Post

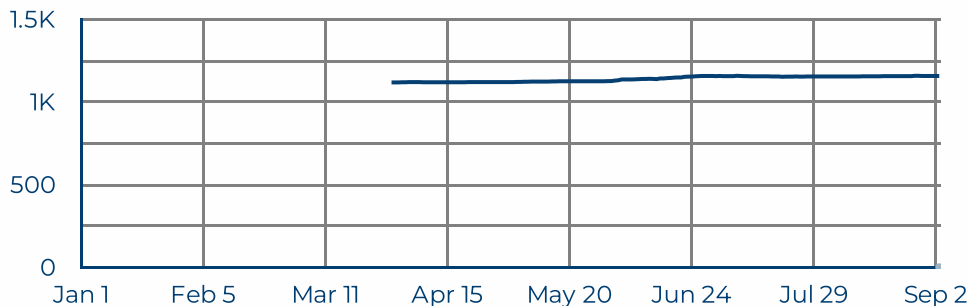


Paid Reach	Organic Reach	Total Reach
13,934	1,109	14,987
↑ 127.2%	↓ -22.2%	↑ 109.9%

Facebook Page Visits



Facebook Page Followers - Year-to-Date Growth



## Mailchimp Delivery Analytics

Total Eblasts Sent	6
Total Deliveries	2,613
Avg. Open Rate %	32.2%
Total Clicks	220
New Signups	4

## Monthly YouTube Performance

Total Views	11,724
Total Watch Time	219.1 hrs
Organic Impressions	5,304

### Top Five Videos of Month

- Tri-Valley Water Reliability - Challenges and Solutions**  
Jul 30, 2024
- Stoneridge Well Ion Exchange PFAS Treatment Facility Now Open**  
Sep 13, 2023
- Groundwater Recharge - Wondrous World of Water**  
Mar 12, 2024
- Wondrous World of Water - Ion Exchange PFAS Treatment**  
Aug 3, 2023
- Wondrous World of Water - Ozone Treatment**  
Sep 2, 2020

## Insights & Opportunities

### WEBSITE

- For August, the key metrics show a positive trend continuing with a slight increase in overall traffic, page views and time spent on site.
- While this month had 3,863 total users, our monthly average users for this year to date is still much higher than the previous three years, (5,083 this year, compared to approximately 4k average per month over the past three years).

Top Page Views:

- Homepage
- Careers Page
- Water Academy

We anticipate continued growth with the return of the school season, potentially increasing views and interest in the Water Academy pages.

### SOCIAL MEDIA

- Social engagement was lighter this month, given we are typically lighter during the summer. We expect to pick back up in the fall with the return of the Water Academy during the school year, and promotion of the Flood Open House in October.
- Video views on YouTube continue to perform well, with continued efforts to promote all previously released content through the end of the year. A new PFAS Timeline video chronicling Zone 7's efforts to proactively monitor and address PFAS in advance of regulatory requirements is being released in September. We will invest in delivering this video to the community to ensure we are remaining transparent and educating the community.

### DIRECT MAIL

- A special back-to-school e-blast was sent to the teachers in each district to begin the new season of Water Academy. Separate messages were sent to each school district on their various first days of school, which accounts for more eblasts than average being sent last month. In addition, the standard board meeting announcements were sent for a total of 6.



100 North Canyons Parkway  
 Livermore, CA 94551  
 (925) 454-5000

**ORIGINATING SECTION:** Integrated Planning

**CONTACT:** Sal Segura/Ken Minn

**AGENDA DATE:** September 18, 2024

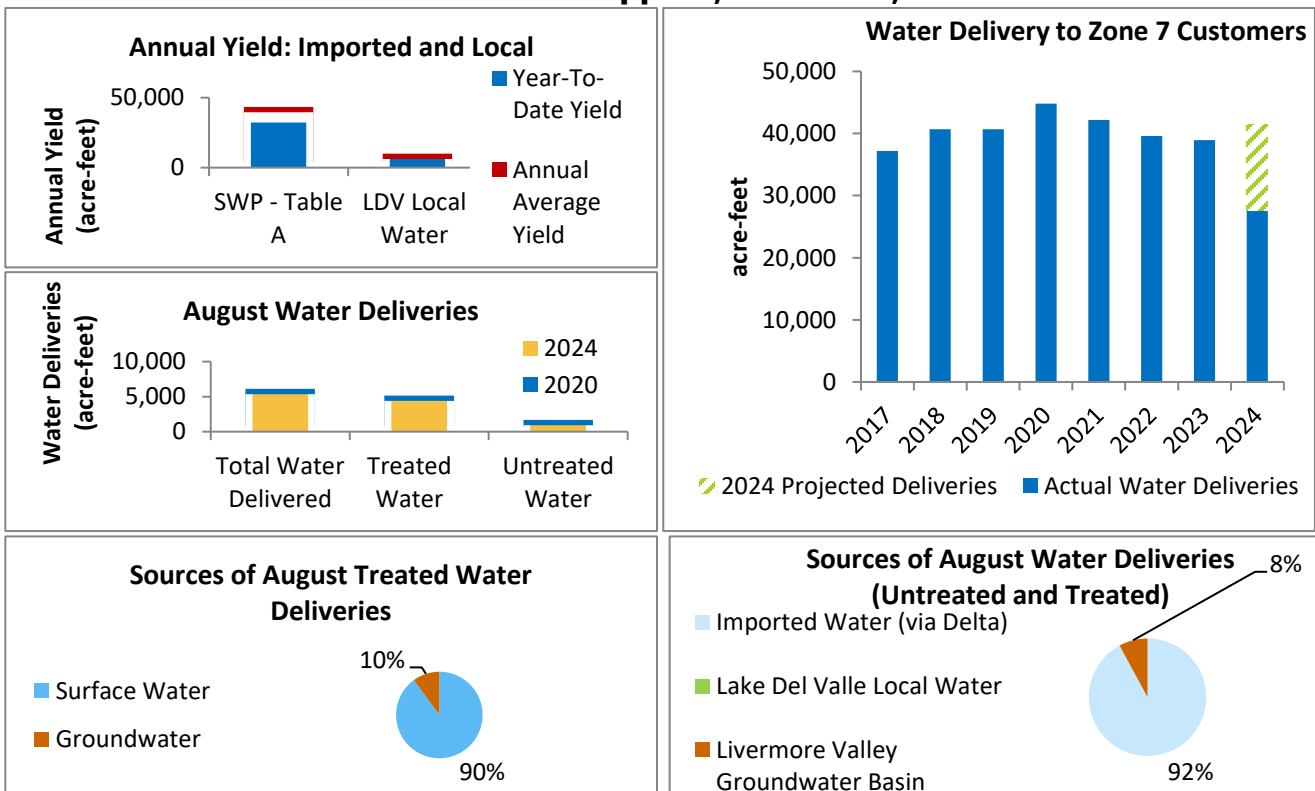
**SUBJECT:** Monthly Water Inventory and Water Budget Update

**SUMMARY:**

To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has been managing water supplies. This report summarizes current water supply, usage, and storage conditions to support Strategic Plan Goal A – Reliable Water Supply and Infrastructure and to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.

An overall analysis of the annual water supply was included in the 2024 Annual Sustainability Report prepared in April. A summary of long-term water supply planning is also included in the Urban Water Management Plan (UWMP), which is updated every five years and assesses water supply reliability on a 20-year time horizon. The next update of UWMP is due on July 1, 2026. These plans and evaluations consider the various sources of supply and storage available to Zone 7 locally, in State Water Project (SWP) facilities, and in Kern County storage and recovery programs.

**Summaries of 2024 Water Supplies, Deliveries, and Available Water**



## ZONE 7 WATER INVENTORY AND WATER BUDGET (August 2024)

### Supply and Demand *(See Table 3, Figure 1, Figure 2, Figure 3, and Figure 4)*

- Monthly totals: 5,440 acre-feet (AF) delivered to customers (4,440 AF treated production and 1,000 AF estimated untreated deliveries).
- Artificial recharge totaled 400 AF on Arroyo Valle.
- Total treated water production decreased by 5% compared to last month.
- Treated water sources were 90% surface water and 10% groundwater this month.
  - Treatment plant production was 42.1 million gallons per day (MGD).
  - Wellfield production was 4.5 MGD.

### Comparison of Demands: 2024 vs 2020 baseline *(See Table 1)*

- In August 2024, Zone 7's overall water demands were 2% higher than in August 2020: treated water production was 1% higher, and estimated untreated deliveries were 6% higher.

**Table 1: August 2024 comparison – Treated and Untreated Demands**

	Treated Production	Untreated Delivery	Total
<b>August 2024 (AF)</b>	4,440	1,000	5,440
<b>August 2020 (AF)</b>	4,390	940	5,330
<b>August 2024 vs August 2020</b>	1% more	6% more	2% more

### Imported Water *(See Table 2 and Table 3)*

- The State Water Project allocation remains at 40%.
- Zone 7 scheduled 1,500 AF to be banked in Kern County storage and recovery programs in August. This amount is estimated as delivery records are not available yet.

**Table 2: Available Water Supplies (as of September 1, 2024)**

Sources of Water Supplies	Acre-Feet (AF)
Table A	29,250
Water Transfers/ Exchanges	0
SWP Carryover Water	1,090
Lake Del Valle (Carryover + 2024 Yield)	8,760
Livermore Valley Groundwater Basin (Above Minimum Thresholds AF)	125,000
Kern Storage and Recovery Programs	97,100
<b>Total</b>	<b>261,200</b>

---

**Groundwater***(See Table 3 and Figure 5)*

- The Livermore Valley Groundwater Basin comprises four subbasins. The Basin's estimated maximum storage capacity is 254,000 AF, including the storage capacity below the Minimum Thresholds established in the Alternative Groundwater Sustainability Plan. The estimated storage capacity above the Minimum Thresholds (operational storage) is 126,000 AF. Currently, the Basin is at approximately 99% of its storage capacity above minimum thresholds (125,000 AF out of 126,000 AF).
- It is important to note that not all of the storage above the Minimum Thresholds (MT's) is accessible with Zone 7's existing wells as 80% of Zone 7's groundwater facilities are in the Amador West subbasin. Furthermore, the presence of Per- and polyfluoroalkyl substances (PFAS) compounds in the groundwater basin limits the use of some wells.
- In August, the total pumping from Zone 7's wellfield was 430 AF, making up 10% of the treated supply.
- Estimated groundwater basin overflow on the west side of the Basin is 4 AF in August.
- In August, Zone 7 recharged approximately 400 AF through releases into Arroyo Mocho.

---

**Stream Outflow***(See Table 3)*

- Surface runoff narrowly exceeded the 10 cubic feet per second (CFS) baseflow at the Arroyo de la Laguna at the Verona stream gauge during the month of August for a single day, resulting in 2 AF stream outflow.

Note: some surface flows out of the Livermore-Amador Valley are mandated for other downstream purposes.

---

**Local Precipitation***(See Figure 7)*

- 0 inches of precipitation were recorded at Livermore Airport in August.
- Thus far in Water Year 2024, Livermore has received 14.83 inches of rain, or 104% of the average for the Water Year to Date.

---

**Sierra Precipitation***(See Figure 8)*

- 0.8 inches of precipitation were recorded in the Northern Sierras in August. The historical average precipitation in August is 0.2 inches.
- Cumulative precipitation in the Northern Sierra for Water Year 2024 is 48.0 inches or 91% of the seasonal average to date.

---

**Sierra Snowpack***(See Figure 9)*

- DWR has stopped reporting snowpack for the season as the snow reporting sites are snow-free. Reporting for Water Year 2025 is anticipated to begin in December.

---

**Lake Oroville***(See Figure 10)*

- As of September 2, Lake Oroville storage is 66% of total capacity representing 111% of average storage condition at this time of the year.
  - Storage: 2,277,369 AF
  - Storage as a percentage of total capacity decreased by 16% over the month of August.
- As a reminder, on July 1, DWR began utilizing an updated Lake Oroville Storage Capacity Curve for operations and reporting. This is the first update to the curve since it was originally developed in 1971. The new storage curve reduces the total capacity of Lake Oroville by 113 TAF, from 3.54 MAF to 3.42 MAF. This reduction is due primarily to two factors: sedimentation and increased surveying accuracy.

---

**San Luis Reservoir***(See Figure 11)*

- San Luis Reservoir is a joint-use facility between the State Water Project and the Central Valley Project. Its total storage capacity is 2,027,835 AF, and the SWP's share of the total capacity is 1,062,180 AF. As of September 2, the total reservoir storage is 941,596 AF, of which approximately 525,000 AF belongs to SWP. Currently, the SWP's share of the reservoir capacity is 49% full.

**NOTE:** Numbers presented are estimated and subject to refinement over the course of the year.

---

**Lake Del Valle***(See Table 3 and Figure 6)*

- Lake Del Valle holds 35,531 AF as of September 1.
- Zone 7's estimated water storage in Lake Del Valle at the end of August is approximately 8,760 AF. Zone 7 did not utilize any of its Del Valle Local Water supplies in August to meet demand.
- Zone 7 did not capture water in Lake Del Valle in August.

### Table 3: Water Inventory

#### Water Inventory for Zone 7 Water Agency

Note: Values are rounded. All units in AF unless noted otherwise. Subject to adjustment over the year.

	2023 <i>Jan-Dec</i>	2024 <i>Aug</i>	2024 - YTD <i>Jan-Dec</i>
<b>Source</b>			
<b>Incoming Supplies</b>			
State Water Project (SWP) - Table A	55,530	1,500	3,000
State Water Project - Article 21	2,360	0	0
Lake Del Valle Local Water	4,310	0	5,600
Water Transfers/Exchanges	0	0	0
<b>Subtotal</b>	<b>62,200</b>	<b>1,500</b>	<b>8,600</b>
<b>From Storage</b>			
State Water Project - Carryover	1,630	5,410	24,110
Livermore Valley Groundwater Basin	1,670	430	2,250
Kern Storage and Recovery Programs	0	0	0
<b>Subtotal</b>	<b>3,300</b>	<b>5,840</b>	<b>26,360</b>
<b>Total Supply</b>	<b>65,500</b>	<b>7,340</b>	<b>34,960</b>
<b>Water Use</b>			
<b>Customer Deliveries</b>			
Treated Water Demand <sup>1</sup>	34,030	4,440	24,090
Untreated Water Demand	4,870	1,000	3,520
<b>Subtotal</b>	<b>38,900</b>	<b>5,440</b>	<b>27,610</b>
<b>To Storage</b>			
Livermore Valley Groundwater Basin Recharge	8,600	400	4,350
Kern Storage and Recovery Programs	10,000	1,500	3,000
<b>Subtotal</b>	<b>18,600</b>	<b>1,900</b>	<b>7,350</b>
<b>SWP Transfer</b>			
Westside 5 (Kern) <sup>2</sup>	8,000		
<b>Total Water Use</b>	<b>65,500</b>	<b>7,340</b>	<b>34,960</b>
<b>Available Water Supplies</b>			
<b>Incoming Supplies</b>			
	<b>End-of-2023</b>		
SWP - Table A (%)	100%	40%	40%
SWP - Table A Remaining	0	29,250	29,250
Water Transfers/Exchanges	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>29,250</b>	<b>29,250</b>
<b>Storage Balance</b>			
	<b>End-of-2023</b>		
SWP Carryover	25,200	1,090	1,090
Lake Del Valle Local Water	5,000	8,760	8,760
Livermore Valley Groundwater Basin <sup>3</sup>	118,600	125,000	125,000
Kern Storage and Recovery Programs	95,600	97,100	97,100
<b>Subtotal</b>	<b>244,400</b>	<b>231,950</b>	<b>231,950</b>
<b>Total Available Water</b>	<b>244,400</b>	<b>261,200</b>	<b>261,200</b>
<b>Watershed Conditions</b>			
	<b>End-of-2023</b>		
Precipitation at Livermore Station (in) <sup>4</sup>	19.2	0.00	11.64
Lake Del Valle Local Water Net Yield	7,010	0	9,360
Measured Change in Groundwater Basin Storage	27,900	-500	6,900
Surface Water Outflow <sup>5</sup>	166,810	0	37,620

<sup>1</sup> Includes a small amount of unaccounted-for water.

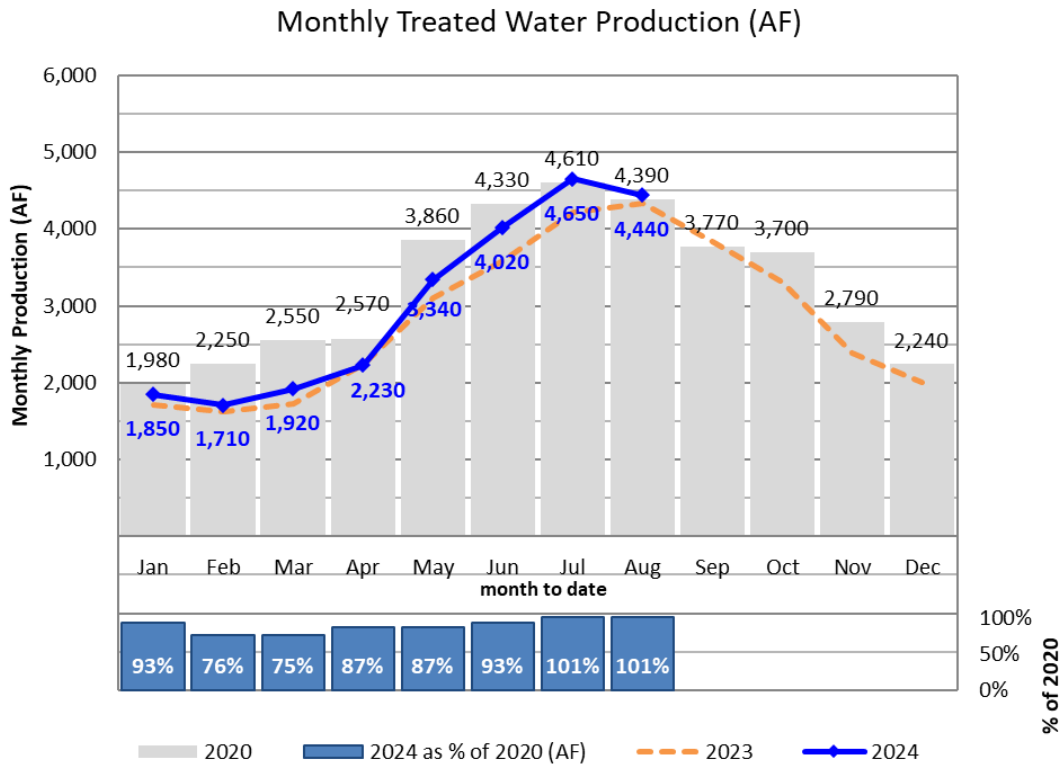
<sup>2</sup> In 2023, Zone 7 executed a transfer agreement with the Westside Districts

<sup>3</sup> Storage volume is based on most recent groundwater level data; amount shown excludes 128,000 AF of storage below the minimum thresholds.

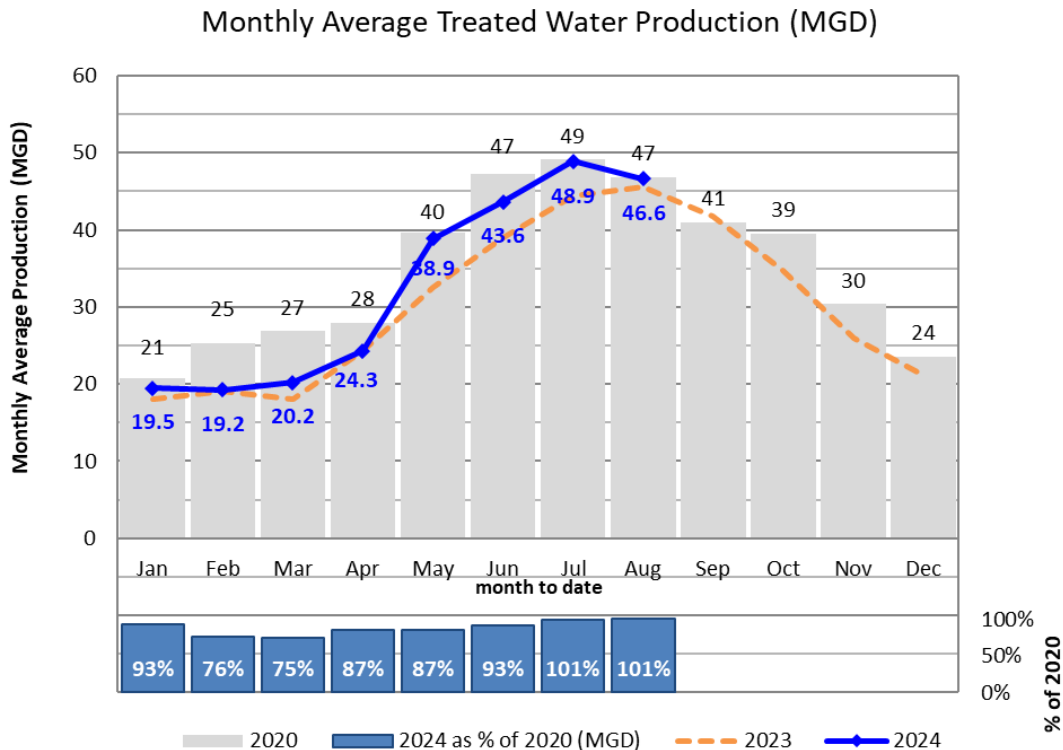
<sup>4</sup> Local precipitation reported in Table 3 for 2024 YTD is reported on a calendar year basis.

<sup>5</sup> Surface Water Outflow is estimated based on flow at USGS gage Arroyo De La Laguna at Verona.

**Figure 1: Monthly Treated Water Production in Acre-Feet (AF)**

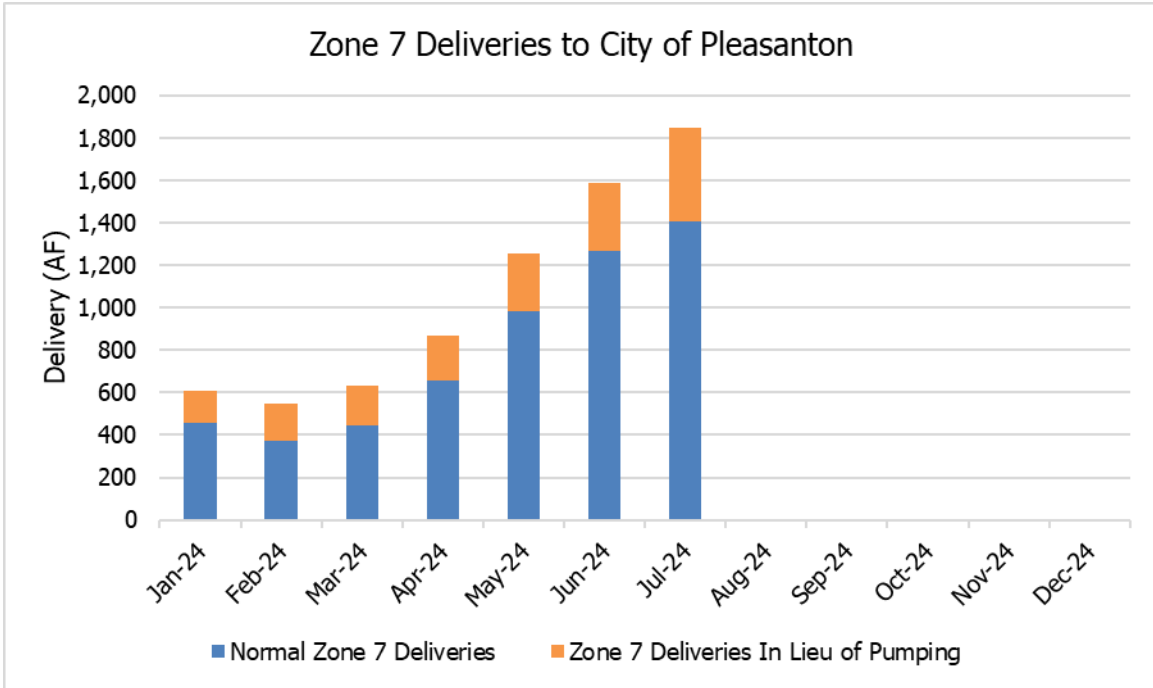


**Figure 2: Monthly Treated Water Production in Average Million Gallons Per Day (MGD)**



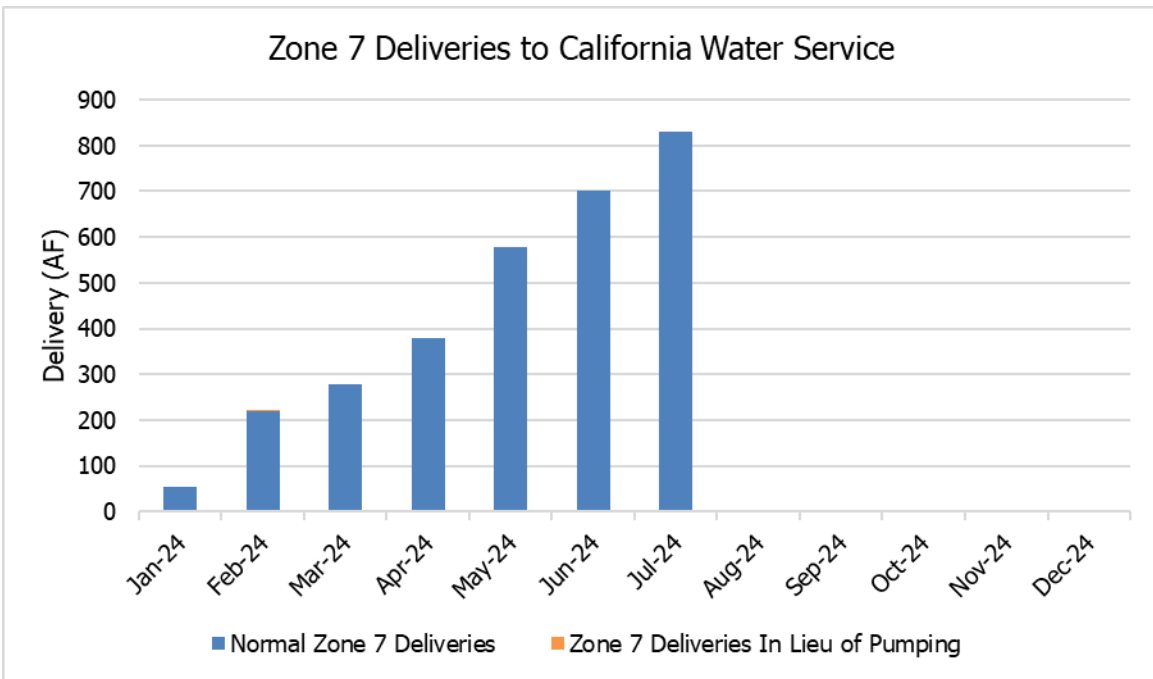


**Figure 3: Pleasanton Estimated In-Lieu Demand (Based on 2018-2021 Pumping)**



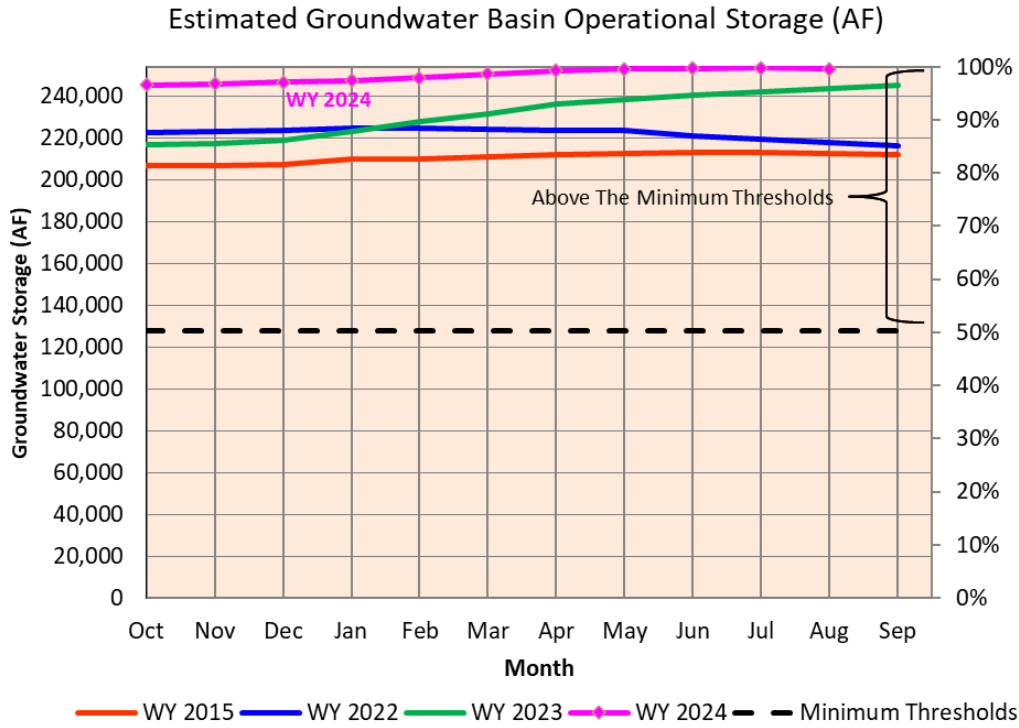
\*Pleasanton’s pumping data for June is not yet available and will be reflected in future inventories.

**Figure 4: California Water Service Estimated In-Lieu Demand (Based on 2018-2021 Pumping)**



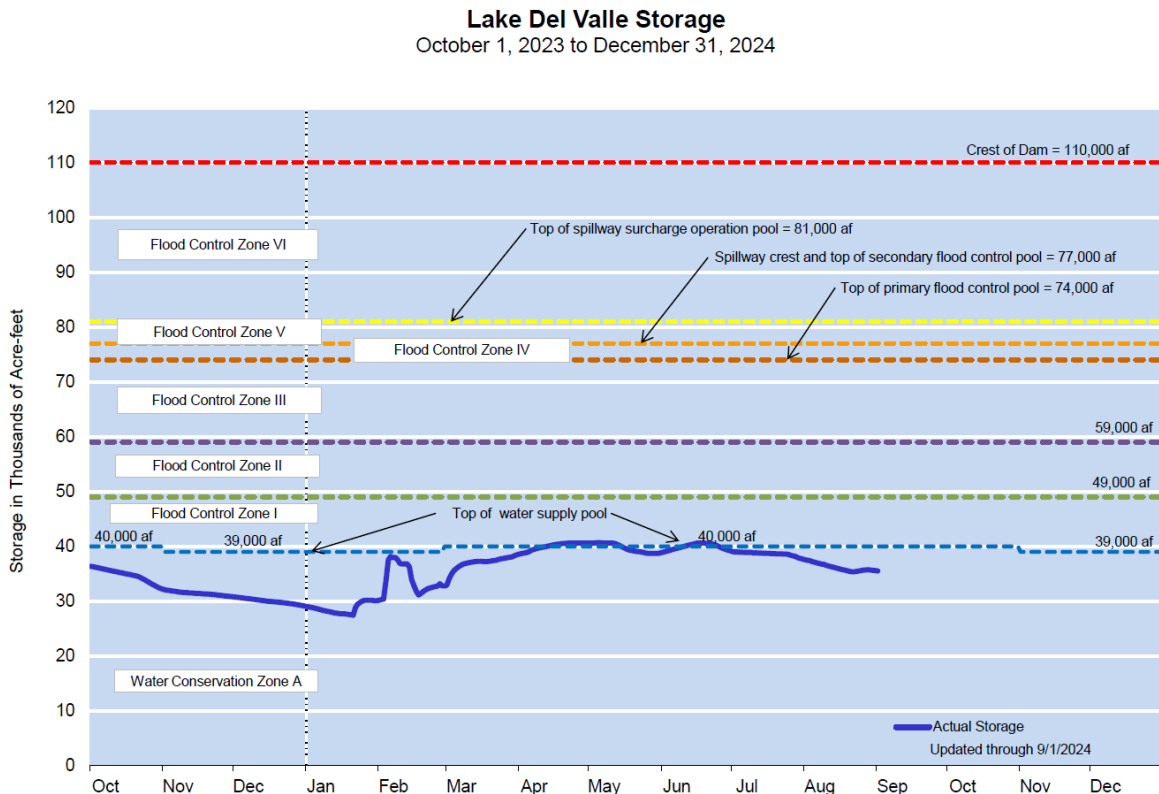
\*Cal Water’s pumping data for June is not yet available and will be reflected in future inventories.

**Figure 5: Livermore Valley Groundwater Basin Storage\***



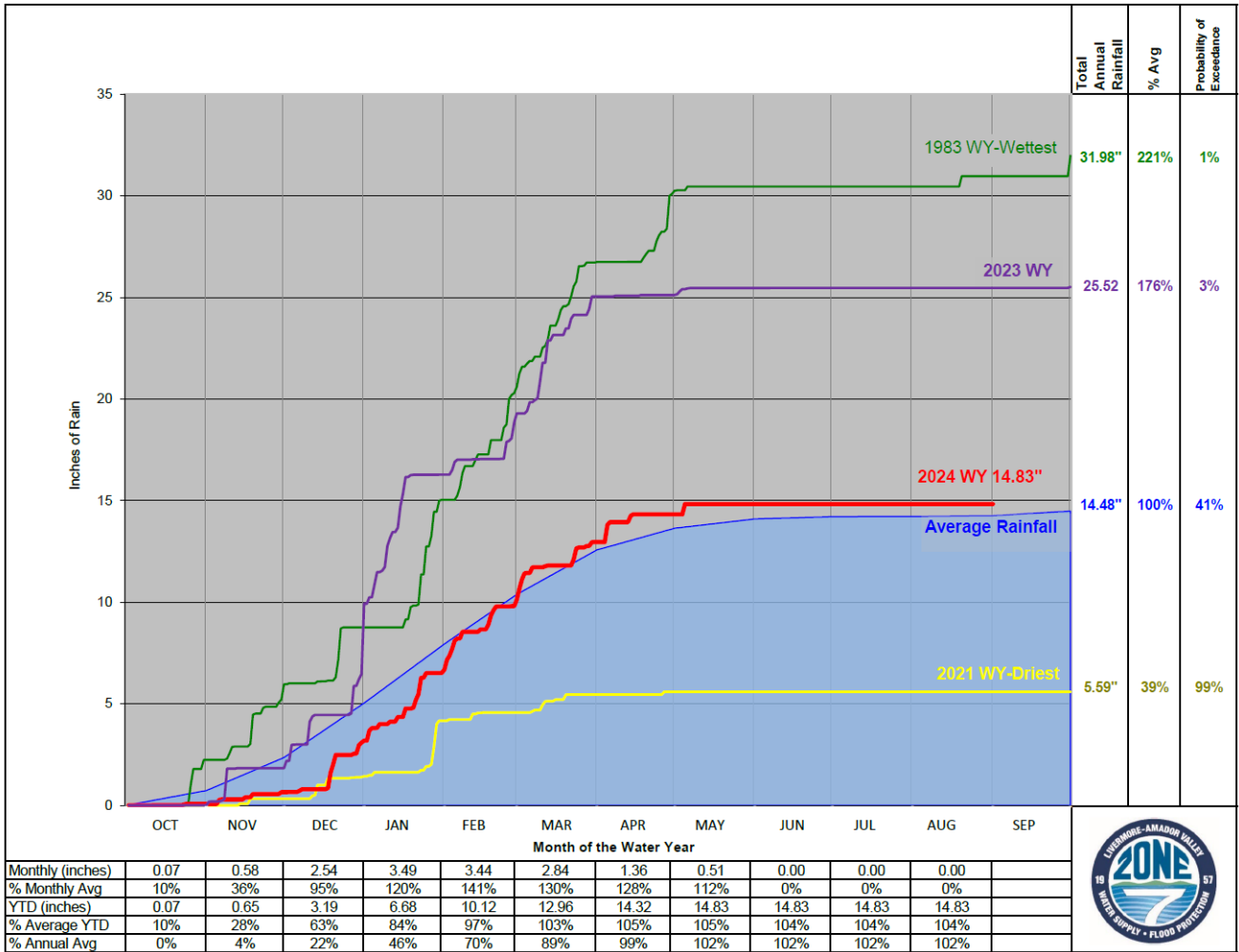
\*The estimated groundwater basin storage represents the combined total storage from all four subbasins.

**Figure 6: Lake Del Valle Storage**



(Source : <https://water.ca.gov/-/media/DWR-Website/> )

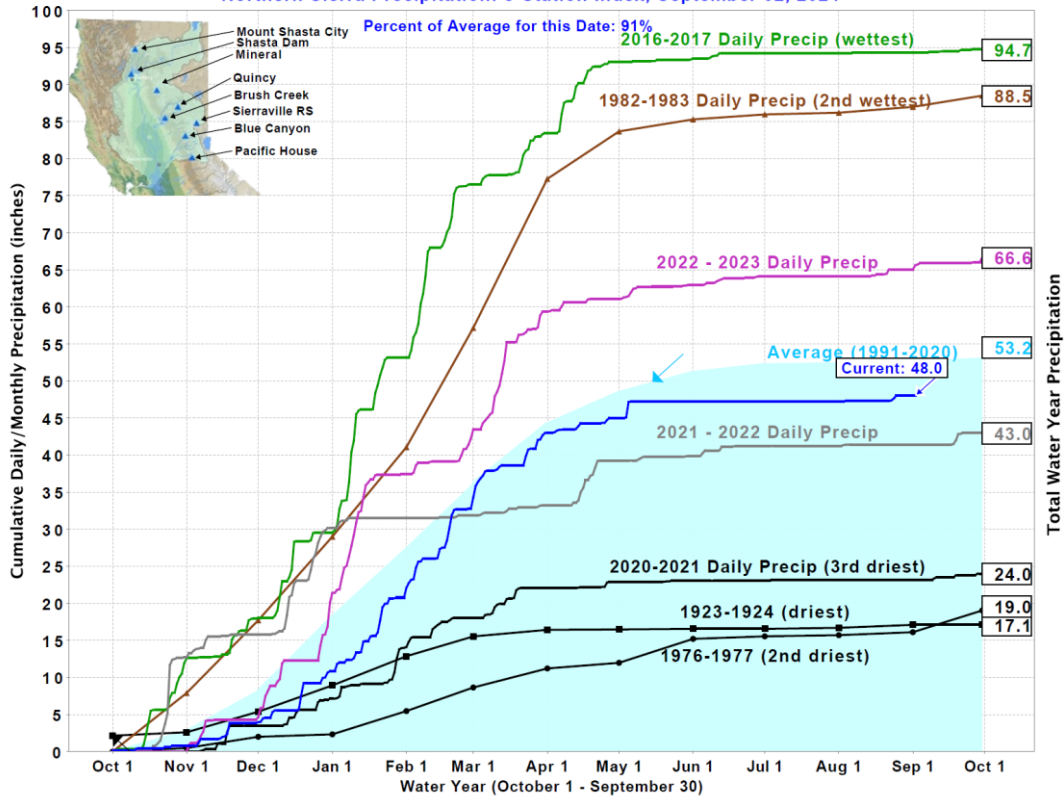
### Figure 7: Local Precipitation



## Figure 8: Cumulative Precipitation in the North Sierra

(Source : <http://cdec.water.ca.gov/c>

Northern Sierra Precipitation: 8-Station Index, September 02, 2024



[progs/products/PLOT\\_ESI.pdf](https://cdec.water.ca.gov/progs/products/PLOT_ESI.pdf)

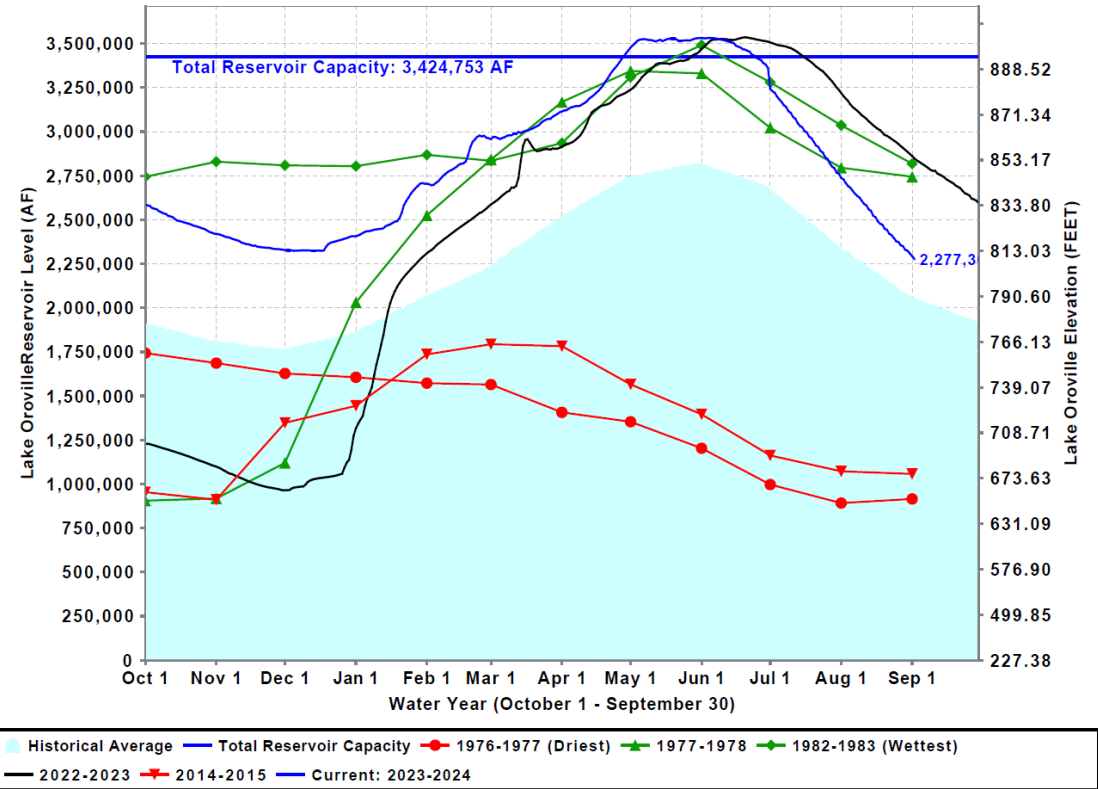
## Figure 9: Sierra Snowpack

*As of June 28, most snow survey sites are snow-free.  
DWR will begin reporting snowpack again around December 1.*

(Source : <https://cdec.water.ca.gov/reportapp/javareports?name=swcond.pdf>)

### Figure 10: Lake Oroville Storage

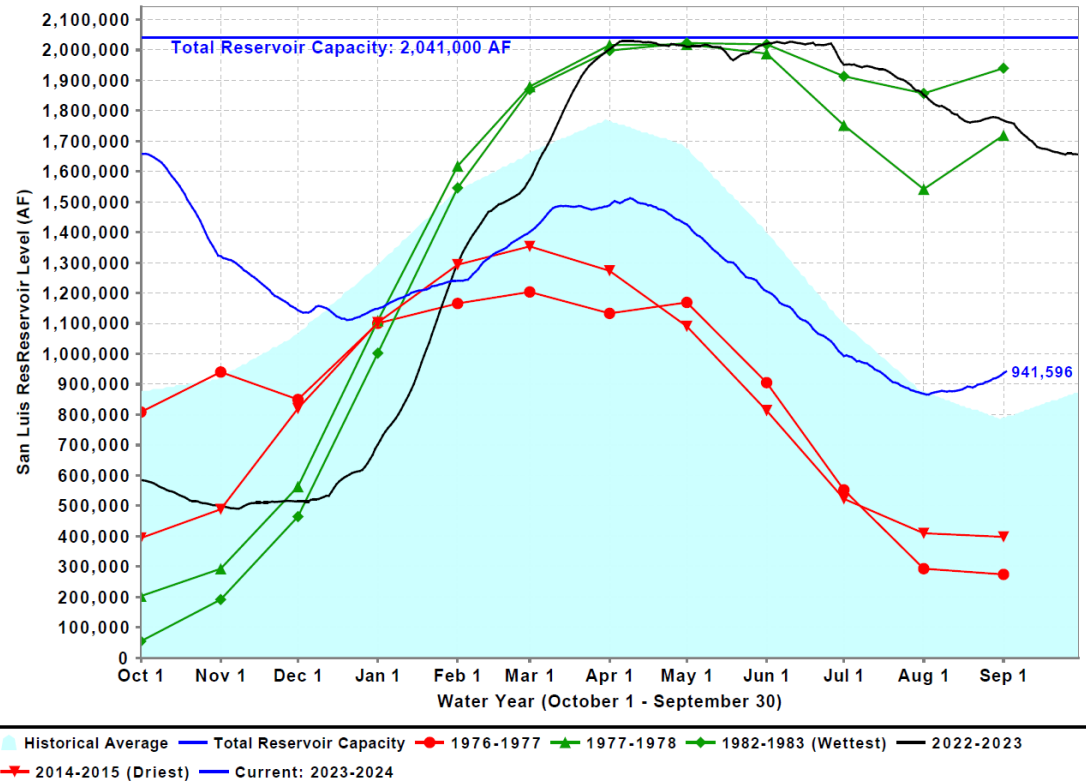
Lake Oroville Levels: Various Past Water Years and Current Water Year, Ending At Midnight September 2, 2024



(Source : <https://cdec.water.ca.gov/resapp/ResDetail.action?resid=ORO>)

### Figure 11: San Luis Reservoir Storage

San Luis Res Levels: Various Past Water Years and Current Water Year, Ending At Midnight September 2, 2024



(Source : <https://cdec.water.ca.gov/resapp/ResDetail.action?resid=SNL>)

**ORIGINATING SECTION:** Integrated Planning  
**CONTACT:** Elke Rank/Ken Minn

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Living Arroyos FY 2023-24 Program Update

**SUMMARY:**

To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 developed the Living Arroyos Program (Living Arroyos) in 2013. This program supports Strategic Goal F – Stakeholder Engagement and is to implement Initiative #9 – Continue to maintain the Flood Protection System.

This report summarizes completed tasks between July 1, 2023, and June 30, 2024.

- Program parties
  - Fiscal Manager: Zone 7 Water Agency
  - Implementing Agency: Alameda County Resource Conservation District
  - Program Partners: Zone 7, City of Dublin, City of Livermore, City of Pleasanton
  
- 2022-2023 Program Statistics
  - Tree stakes installed: 97
  - Other plants installed: 20
  - Invasive vegetative species removed: 975 gallons
  - Trash removed: 2,296 gallons
  - Total Program hours, Living Arroyos team (projects + admin): 3,626
  - Volunteer events: 8 (310 unique volunteers)
  - Volume of Water applied: 51,692 gallons

**FUNDING:**

Not applicable.

**RECOMMENDED ACTION:**

Information only.

**ATTACHMENT:**

Photographs from 2023-2024 program activities.

## Living Arroyos 2023/2024 Annual Summary - Photos



1. Upper left. ACRCDC and Living Arroyos information table at Las Positas College Earth Day Fair. April 17, 2024.
2. Upper right. Volunteers during the annual volunteer appreciation event at Arroyo Mocho Stanley Reach, Livermore. April 6, 2024.
3. Lower Left. Volunteers after a trash cleanup along Tassajara Creek, Dublin. March 16, 2024.



*"Interning for Living Arroyos has been a wonderful experience of collaborating with other interns in achieving a common goal of helping the environment, which was one of the many things that drew me into applying here! It is a great opportunity to get hands-on experience in habitat restoration and maintenance, as well as working with friendly and hardworking individuals who share similar passions about our community and its environment." – Rachel Tanis*

**ORIGINATING SECTION:** Office of the General Manager  
**CONTACT:** Carol Mahoney/Valerie Pryor

**AGENDA DATE:** September 18, 2024

**SUBJECT:** Legislative Update

**SUMMARY:**

Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political and regulatory activities of interest. This item supports Strategic Plan, Goal F – Stakeholder Engagement, engage our stakeholders to foster understanding of their needs, the Agency, and its function. The attached is the legislative executive summary of bills of potential interest prepared by The Gualco Group, Inc., and Zone 7 staff. The legislature completed their debate and final actions on pending legislation on August 31, 2024. Bills that were passed are either under consideration for signature by the Governor, have been signed law, or have been vetoed. The Governor may act on the pending legislation through September 30, 2024. If a bill was not passed during the legislative cycle, it is indicated as “DEAD” in the attached summary.

The summary also provides definitive bill positions (i.e., support, oppose, favor, not favor) taken by other member organizations in which Zone 7 participates. Some other organizations use a priority ranking number after their position where a rank of “3” is the lowest priority and a “1” is the highest priority in the position category. The term “Engrossing and Enrolling” is the step just before the bill is presented to the Governor for consideration.

Although Zone 7 did not take formal positions on pending legislation this cycle, several bills of interest did receive targeted advocacy by our member organizations. Based on the guidance of the Legislative Framework, Zone 7’s logo was added to conglomerate letters that advocated for water resources funding in the California state budget and supported SB 1390 (Caballero) related to groundwater recharge.

**RECOMMENDED ACTION:**

Information only.

**ATTACHMENT:**

Legislative Executive Summary – for September 2024



**EXECUTIVE SUMMARY**

**State Legislation**

**Prepared for the Zone 7 Water Agency  
by The Gualco Group, Inc.**



Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill / Comments as of 09/3/2024
<b>BROWN ACT LEGISLATION</b>				
<a href="#"><u>AB 2302</u></a> <a href="#"><u>(Addis)</u></a>	<b>Open meetings: local agencies: teleconferences</b>	<p>Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.</p>	<p>Watch</p> <p>Others:                      ACWA = Favor                      CMUA = Favor                      CSDA = Support3</p>	<p>Enrolled &amp; Presented to the Governor</p>

**GENERAL – ADMINISTRATION, ENVIRONMENTAL REGULATION, AND RELATED CONCERNS**

[AB 1828](#)  
[\(Waldron\)](#)

**Personal income taxes: voluntary contributions: Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account: Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund: covered grants**

Current law, until January 1, 2025, allows an individual taxpayer to contribute amounts in excess of the taxpayer's personal income tax liability for the support of specified funds and accounts, including, among others, to the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account. This bill would extend the operability of the taxpayer contribution until January 1, 2032, or until December 1 of a calendar year that the Franchise Tax Board determines the amount of contributions estimated to be received will not at least equal the minimum contribution amount of \$250,000, as provided.

Watch

To Engrossing & Enrolling

[AB 1957](#)  
[\(Wilson\)](#)

**Public contracts: best value construction contracting for counties**

Current law authorizes certain counties (including Alameda) to use a best value construction contracting method to award individual annual contracts, not to exceed \$3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Current law requires the board of supervisors of a participating county to submit a report that contains specified information about the projects awarded using the best value procedures described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2024. Current law repeals the pilot program provisions on January 1, 2025. This bill would instead authorize any county of the state to utilize this program and would extend the operation of those provisions until January 1, 2030.

Watch

**Chaptered 58, Statutes of 2024**

[AB 2285](#)  
[\(Rendon\)](#)

**Natural resources: equitable outdoor access: 30x30 goal: urban nature-based projects**

This bill would provide that state agencies and the Legislature shall aspire to recognize the coequal goals of the 30x30 goal and would require consideration of higher land value acquisition and development costs per acre, the acute health needs of a local population due to historic lack of greenspace access, local park

Watch

**DEAD**  
Senate  
Appropriations –  
Held on  
Suspense File

assessment plans, and the availability of mobility options near a land conservation site. The bill would require state funding agencies when programming and awarding funds to revise, modify, or amend guidelines as necessary to meet the state's goals, to allow for urban nature-based projects on degraded lands to be eligible and competitive for state funds.

[AB 2320](#)  
[\(Irwin\)](#)

**Wildlife Connectivity  
and Climate  
Adaptation Act of  
2024: wildlife  
corridors**

Current law requires the Natural Resources Agency, in implementing actions to achieve the goal to conserve at least 30% of the state's lands and coastal waters by 2030 established by executive order, to prioritize specified actions and requires the agency to provide an annual report to the Legislature. This bill would additionally require the agency, as part of that report, to include an update on the state's progress towards addressing the priority wildlife corridors, as defined, identified in the Restoring California's Wildlife Connectivity report by the Department of Fish and Wildlife, and goals for wildlife corridor protection in the next five years.

Watch

**DEAD**  
Senate  
Appropriations –  
Held on  
Suspense File

[AB 2561](#)  
[\(McKinnor\)](#)

**Local public  
employees: vacant  
positions**

The Meyers-Milias-Brown Act (act) authorizes local public employees to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. This bill would authorize a recognized public organization to initiate the meet and confer process with a public agency if the total number of job vacancies within total classifications of the bargaining unit is equal to or exceeds 20% of the total authorized positions in that bargaining unit. The bill would require the public agency to promptly meet and confer with the employee organization within 30 days about substantive strategies to fill vacancies. The bill would require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year prior to the adoption of its final budget and would entitle the employee organization to present at the hearing.

Watch

Others:  
CUMA = Oppose  
CSDA = Oppose2

To Engrossing &  
Enrolling

## NATURAL RESOURCES BOND

<a href="#"><u>SB 867 (Allen)</u></a>	<b>Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024</b>	If approved by the voters, would authorize the issuance of bonds in the amount of \$10,000,000,000 to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs.	Watch  Others: ACWA = Watch CMUA = Support if Amended CSDA = Watch	<b>Chapter 83, Statutes of 2024 – Approved for November 2024 Ballot as Proposition 4</b>
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## UTILITY MANAGEMENT, REVENUE AND RELATED FINANCIAL MATTERS

<a href="#"><u>AB 1827 (Papan)</u></a>	<b>Local government: fees and charges: water: higher-consumptive water parcels</b>	This bill would provide that the fees or charges for property-related water service imposed or increased may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the incrementally higher costs of water service associated with higher water usage demands, the maximum potential water use, or projected peak water usage may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels.	Watch  Others: ACWA = Support CMUA = Support CSDA = Support3	Enrolled & Presented to the Governor
<a href="#"><u>AB 2149 (Connolly)</u></a>	<b>Operations Gates: Standards: Inspections</b>	Requires a regulated gate, defined as any gate that weighs more than 50 pounds and is more than 48 inches wide or more than 84 inches high that is located in an area that is open to the public, an entire community or neighborhood, or any considerable number of persons to meet certain standards.	Watch  ACWA = Not Favor CSDA = Oppose3	<b>DEAD</b> Senate Appropriations – Held on Suspense File
<a href="#"><u>AB 2257 (Wilson)</u></a>	<b>Local government: property-related water and sewer fees and assessments: remedies</b>	This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging	Watch  Others: ACWA = Sponsor CMUA = Support CSDA = Support3	To Engrossing & Enrolling

noncompliance, as specified. This bill would provide that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agency's compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions.

**SB 937**  
**(Wiener)**

**Development projects: fees and charges**

The Mitigation Fee Act prohibits a local agency that imposes fees or charges on a residential development for the construction of public improvements or facilities from requiring the payment of those fees or charges until the date of the final inspection or the date the certificate of occupancy is issued, whichever occurs first, except for utility service fees, which the local agency is authorized to collect at the time an application for utility service is received. The act exempts specified units in a residential development proposed by a nonprofit housing developer if the housing development meets certain conditions. This bill would limit the utility service fees exception described above to utility service fees related to connections and cap those fees at the costs incurred by the utility provider resulting from the connection activities. The bill would extend the above-described exemption for those units in a residential development that meets those conditions to any housing developer.

Watch

Others:  
ACWA = Watch  
CMUA = Neutral  
CSDA = Oppose  
Unless Amended<sup>2</sup>

To Engrossing & Enrolling

**SB 1072**  
**(Padilla)**

**Local government: Proposition 218: remedies**

This bill would require, if a property-related fee or charge creates revenues in excess of the local government's reasonable cost of providing the specific benefit or specific government service, that the excess revenues be used only to reduce the subsequently adopted and following property-related fee or charge.

Watch

Others:  
ACWA = Favor  
CMUA = Support  
CSDA = Support<sup>3</sup>

To Engrossing & Enrolling

## WATER RIGHTS

[AB 460](#)  
[\(Bauer-Kahan\)](#)

**State Water Resources Control Board: water rights and usage: civil penalties**

Under existing law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability. This bill would require the State Water Resources Control Board to adjust for inflation, by January 1 of each year, beginning in 2026, the amounts of civil and administrative liabilities or penalties imposed by the board or in water right actions brought at the request of the board, as specified.

Watch

Others:  
CMUA = Support  
SWC =Support1

To Engrossing & Enrolling

[AB 1272](#)  
[\(Wood\)](#)

**State Water Resources Control Board: drought planning**

Would require the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds, as specified, during times of water shortage for drought preparedness and climate resiliency. The bill would require that the principles and guidelines allow for the development of locally generated watershed-level plans to support public trust uses, public health and safety, and the human right to water in times of water shortage, among other things.

Watch

[Vetoed](#) By Governor

## WATER SUPPLY

[AB 1573](#)  
[\(Friedman\)](#)

**Water conservation: landscape design: model ordinance**

Requires updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of a culturally specific project, as defined, ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance.

Not Favor

Others:  
ACWA = Not Favor  
Unless Amend

**DEAD**  
Senate -  
Inactive file  
since 2023

**SB 366**  
**(Caballero)**

**The California Water Plan: long-term supply targets**

Would revise and recast certain provisions regarding The California Water Plan to require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the Department of Water Resources to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified interim planning targets established by the bill. Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective, as provided. This bill would instead authorize the board to issue the informational orders on and after January 1, 2026.

Watch

Others:

ACWA = Support  
CMUA = Sponsor  
CSDA = Support3  
SWC = Support1

To Engrossing & Enrolling

**SB 1110**  
**(Ashby)**

**Urban retail water suppliers: informational order: conservation order**

Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective, as provided. This bill would instead authorize the board to issue the informational orders on and after January 1, 2026.

Watch

Others:

ACWA = Favor  
CMUA = Support

**DEAD**  
Assembly Appropriations – Held on Suspense File

**SB 1255**  
**(Durazo)**

**Public water systems: needs analysis**

This bill would require the State Water Resources Control Board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20% discount for low-income households served by community water systems with fewer than 3,000 service connections and for community water systems with fewer than 3,000 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter.

Watch

Others:

ACWA = Oppose Unless Amended  
CMUA = Oppose Unless Amended

**DEAD**  
Assembly Appropriations – Held on Suspense File

**SGMA/GROUNDWATER**

**AB 828**  
**(Connolly)**

**Sustainable groundwater management: managed wetlands**

The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as

Watch

Others:

ACWA = Oppose  
CMUA = Not Favor

To Engrossing & Enrolling

**AB 2060**  
**(Soria)**

**Lake and streambed alteration agreements: exemptions**

specified. This bill would prohibit a groundwater sustainability agency from imposing a fee upon a small community water system serving a disadvantaged community or imposing a fee for managed wetland purposes provided the water use for each user does not increase above the extractor's average annual extraction from 2015 to 2020.

Existing law requires CDFW to determine whether the activity may substantially adversely affect an existing fish and wildlife resource and, if so, to provide a draft lake or streambed alteration agreement to the person, agency, or utility. Existing law establishes various exemptions to lake or streambed alteration agreements including, until January 1, 2029, an exemption for the diversion of flood flows for groundwater recharge, as provided. This bill would, until January 1, 2029, exempt from these provisions the temporary operation of existing infrastructure or temporary pumps being used to divert water to groundwater recharge as long as certain conditions are met, including the use of protective screens on temporary intakes, as provided, for diversions directly from rivers or streams, and implementation of appropriate species protection measures, as provided.

Watch

CMUA = Support

**DEAD**  
Senate Floor –  
Inactive File

**SB 1156**  
**(Hurtado)**

**Groundwater sustainability agencies: financial disclosures**

This bill would require members of the board of directors and executive, as defined of a groundwater sustainability agency to file statements of economic interests. The bill would require that these statements be filed with the Fair Political Practices Commission using the Commission's online system of filing statements of economic interest.

Watch

Enrolled &  
Presented to the  
Governor



[SB 1390](#)  
[\(Caballero\)](#)

**Groundwater  
recharge:  
floodflows: diversion**

This bill would, among other things, expand the conditions that are required to be met for the diversion of floodwaters for groundwater recharge that do not require an appropriate water right. The bill would expand the definition of "floodflow" to include flows that are projected by the local or regional agency to inundate ordinarily dry areas in the bed of a terminal lake, as described above. The bill would revise the definition of "imminent" to mean a high degree of confidence that a condition will begin or is projected to begin within the next 72 hours. The bill places restrictions on when floodflow diversions from tributaries to the Delta may occur.

Watch

Others:  
SWC = Support

**DEAD**  
Assembly Floor –  
Third Reading

## FLOOD PROTECTION

[AB 2827](#)  
[\(Reyes\)](#)

**Invasive species:  
prevention**

The bill would require the Department of Food and Agriculture, in collaboration with relevant state agencies and stakeholders, to develop and implement strategies to detect, control, monitor, and eradicate invasive species to protect the state's agriculture, environment, and natural resources. The bill would require the department, in consultation with other relevant state agencies, to allocate funds, if available, to implement and enforce these provisions.

Watch

Others:  
CSDA = Watch  
SWC = Watch-1

**DEAD**  
Senate  
Appropriations –  
Held on  
Suspense File

[AB 3227](#)  
[\(Alvarez\)](#)

**California  
Environmental  
Quality Act:  
exemption:  
stormwater facilities:  
routine maintenance**

This bill would, if certain conditions are met, exempt from the provisions of CEQA the routine maintenance of stormwater facilities that are fully concrete or that have a conveyance capacity of less than a 100-year storm event. This bill would repeal these provisions on January 1, 2030.

Watch

Others:  
none

To Engrossing &  
Enrolling